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The National Writer

LIFE INSURANCE EDITION

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FRIDAY, JULY 13, 1934

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WRITE FOR GENERAL AGENCY PROPOSITION
AND TERRITORY

 **RESERVE LOAN LIFE**
INSURANCE COMPANY
INDIANAPOLIS, INDIANA. 



James De Peyster Ogden, center, was the Company's first president. Beside him stands Aaron Merchant, vice-president, who became the second president.

IT WAS APRIL 12, 1845 . . .

IN a small down-town office in old New York, a group of leading citizens were gathered to found a new company, dedicated to mutual protection. Home-loving pioneers of a young republic, they saw in this mutual undertaking the seed of a great public service. Since there would be no stockholders, they personally pledged \$55,815 to guarantee funds to meet its obligations.

Four months later the Company's first advertisement clarified its principles of mutuality and investment: Dividends would be paid to policyholders only . . . funds would be 'safely invested for the benefit and security of all.'

In fulfillment of these two ideals, the New York Life has paid over one billion dollars in dividends to policyholders . . . and has steadfastly adhered to the principle that in investing safety is *always* the first consideration.

* * *

The New York Life agent in your community represents a strong mutual company with a background of successful management through every crisis of the past 89 years. When the New York Life man calls, welcome him. His training and experience may prove helpful to you in working out an insurance plan to fit your particular needs.

"HAVE YOU EVER THOUGHT OF IT LIKE THIS?"

Suppose you put \$10,000 of the best securities in a safe deposit box . . . You might say to your wife, "If I die before you do, this is for you and the children. But if I live to retire, we'll have it for our old age."

But suppose you don't have the \$10,000 now. Nevertheless through life insurance you can have \$10,000 paid to your family if you die prematurely, or to yourself in your old age. When the New York Life man calls, ask him to tell you about it, and to leave you our booklet, "Take the Worry Out of Life."

Make Life Insurance
The Foundation of Your Financial Program

SAFETY IS ALWAYS THE FIRST CONSIDERATION . . . NOTHING ELSE IS SO IMPORTANT

NEW YORK LIFE INSURANCE COMPANY



A MUTUAL COMPANY FOUNDED IN 1845

THOMAS A. BUCKNER, President

51 MADISON AVENUE, NEW YORK, N. Y.

(The above advertisement appears in July issues of Saturday Evening Post, Collier's, Time and Literary Digest)

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Eighth Year—No. 28

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JULY 13, 1934

\$3.00 Per Year, 15 Cents a Copy

More Companies to Change Basis

Some Casting Their Rates at $3\frac{1}{2}$ Percent Interest to Lower Assumption

GREATER CONSERVATISM

Investment Problem Grows More Acute and Serious as Experts Study Conditions

There is a general feeling that some of the companies that base their reserves on the $3\frac{1}{2}$ percent table will soon revise their rates to provide for 3 percent interest assumption. This is due to the fact that the average interest rate is down. Most of the large companies are now on a 3 percent basis although there are some on the $3\frac{1}{2}$ percent. Almost all the medium sized and smaller companies base their rates on the $3\frac{1}{2}$ percent American Experience table.

Rate of Interest in the Future

The probable rate of interest to be earned in the future is one of the most engrossing subjects at life insurance home offices. The companies are intensely interested in any information that has a bearing on the subject. This is not only important with regular life insurance but with annuities. One of the greatest problems today confronting life executives is how to invest the funds. Most of the securities purchased during the last two years have been government bonds, short term notes or other high grade securities which yield a comparatively low rate of interest. Every company is seeking to establish liquidity far beyond what it did in the past. This naturally reduces the interest rate and therefore the savings in interest do not constitute the factor that they did in the past. In fact with most mutual companies, policyholders need not look for any great contribution to their dividends from interest savings. The savings in expense and the greater savings in mortality will be the biggest factors in contributing to policyholders' dividends.

Stimulated Larger Cash Income

All companies are endeavoring to bear down on any part of contract that brings in a higher percentage of money to invest than the regular life forms. It is for this reason that single premium payment contracts, annuities, etc. are regarded with disfavor. When liquidity became most desirable and companies were being besieged with applications for policy loans and surrenders, a larger cash income seemed highly desirable. Therefore companies that never featured annuities and whose agents seldom thought of them made a drive for this business in order to replenish their cash. At the same time the companies may have been storing up trouble for themselves in the future owing to the inadequate annuity rates. Now that conditions are normal and the

(CONTINUED ON PAGE 7)

Management Association's Program Is Now Announced

HOLD MEETING IN HARTFORD

Number of Interesting Addresses and Committee Reports Will Be Given in October

The Life Office Management Association has announced the program for its annual meeting to be held in Hartford, Oct. 1-3. The sessions will be held in the auditoriums of the Aetna Life, Connecticut Mutual and Connecticut General. George W. Skilton, controller of the Connecticut General Life, is president of the association; J. B. Slimmon of the Aetna Life, vice-president. Mr. Skilton will preside at the first session, the morning of Oct. 1, in the Aetna Life auditorium. He will give his address on "Cooperative Management Research in the Life Office." R. R. Coombs, assistant secretary Massachusetts Mutual Life, chairman of the committee on "Home Office Expenses," will give his report.

Reports Will Be Made

Mr. Slimmon will preside in the afternoon. Dr. E. Van Norman Emery, medical director Connecticut Society of Mental Hygiene, will give a talk on "Mental Hygiene in Industry." D. G. Mix, assistant superintendent of agencies, State Mutual Life, chairman of the committee on "Conservation Activities," will give a report, it being a joint study with the Life Insurance Sales Research Bureau. R. S. Rust, secretary Union Central Life and chairman of the committee on "Home Office Methods of Handling Annuities and Supplementary Contracts," will give a report.

President Loomis to Speak

The banquet will be held that evening. On the morning of Oct. 2 H. F. Larkin, vice-president Connecticut Mutual Life, will preside, the meeting being in the Connecticut Mutual building. President James Lee Loomis of the Connecticut Mutual will give a talk. Manager J. M. Holcombe of the Life Insurance Sales Research Bureau will bring greetings. Dr. M. A. Bills, assistant secretary Aetna Life, will give a report on "Origin of Job Classification and Its Early History." Elisabeth L. O'Rourke, personnel director Lincoln National, will report on "A Study of the Technique of Clerical Selection in Relation to Performance." G. A. Drien, assistant secretary Connecticut General, will report on "One Method of Applying Job Analyses." These reports are a part of the committee report on "Job Rating as Applied to Life Office Personnel."

Prof. Bailey on the Program

G. W. Cheney, assistant secretary Phoenix Mutual Life, will preside at the afternoon session. Prof. W. B. Bailey, economist of the Travelers, will give a talk on "Some Economic Aspects of Life Insurance Under the New Deal." J. H. Domelle, secretary Canada Life and chairman of the committee "Home Office Auditing by Company Staffs and/or Outside Auditors, Including a Discussion of Internal Audit Checks," will

(CONTINUED ON LAST PAGE)

Companies Take Precautions to Avoid Loss on Annuities

ANTICIPATING LOWER YIELD

Discontinue Single Premium Forms or Reduce Acceptance Limits in Effort to Solve Problem

NEW YORK, July 12.—Additional evidence of the directness with which life companies are attacking the annuity problem may be gathered from recent actions by the New York Life in discontinuing as of Aug. 1 its single premium annuities having the cash refund feature, and by the New England Mutual Life in reducing its limits on various annuity and single premium insurance forms temporarily, pending improvement in the interest-earning rate of investments.

The New York Life about six weeks ago set \$100,000 as the limit it would take on single premium forms on any one person during a single year.

New England Mutual Limits

The New England Mutual's new limits are as follows: Single premium annuities, single premium life policies, and single premium endowment policies more than ten years, maximum premium, \$50,000; single premium endowments, ten years or less, maximum premium, \$25,000; annual premium retirement annuity, maximum annual premium, \$2,500.

Indicative of the difficulty of earning a sufficient interest rate on reserves and at the same time keeping them liquid enough to meet withdrawal demands, is the fact that daily newspaper financial sections recently listed five municipal bond issues which were being issued at yields ranging from $2\frac{1}{4}$ percent down to $1\frac{3}{4}$ percent.

Indication of Tendency

Another indication of the interest rate situation is the fact that interest on the national debt, despite the huge increases in volume of the debt, has increased only slightly over what it

(CONTINUED ON LAST PAGE)

"Life Payments Number" To Be Mailed Next Week

Next week The National Underwriter's "Life Payments Number" will go to all subscribers along with the regular issue. It will be larger in size than formerly and will make an unusually good visual sales book.

News releases on the details of the payments are being sent to over 4,000 daily and weekly newspapers so on July 20 many newspapers will be telling the public the details of how life insurance companies paid over three billion dollars to policyholders and beneficiaries. The National Underwriter will appreciate receiving clippings of newspaper items about the "Life Payments Number."

Four Tendencies Affecting Policies

Dr. Heubner in Revealing Exposition of Times at Meeting in Chicago

SOME STATISTICS GIVEN

Cites Low Interest, Heavy Taxes, Dollar Devaluation, Trend to Close Corporate-Partnership Cover

Bokum & Dingle, general agents of the Massachusetts Mutual in Chicago, held a one-day agency meeting Monday to hear Dr. S. S. Huebner. Dr. Huebner took up four present day tendencies that affect life insurance, the trend toward the close corporation and small partnership life insurance, toward lower interest rates and heavier taxation, and the effect of devaluation of the dollar on the need for increased insurance and annuities.

He quoted statistics showing 473,000 corporations in this country. Of these, only 30,000 have stock in the hands of the public. By this is meant stock owned by persons not concerned in the management, and of this 30,000 at least 20,000 have such small outstanding stock interest not concerned in management that they may be regarded as close corporations. Only 2,000 corporations are large enough or have stockholdings so widespread as to be listed on any stock exchange. Only 10,000 of the total corporations are rural. Therefore practically the entire number are in cities, within reach of agents.

Affects 1,800,000 Families

Another figure Dr. Huebner quoted gave 400,000 as the number of partnerships engaged in business. This brings the total of small corporations, subject to business insurance, to about 900,000. Taking a minimum of two families to each concern, there are at least 1,800,000 middle class families that have a vital interest in solution of the question of surviving interest in a small concern.

Four kinds of business insurance were listed: First, to protect the business; second, to protect credit; third, to cover the loss of a valued employee, and fourth, retirement of a partner's interest. He said the fourth is several times more important than the other three combined.

Reasons for Using Life Insurance

The object of the fourth purpose is protection of wife and children. Every man in business is building something. When he dies, what he has built may be lost to his family unless some provision is made for saving it.

Eleven reasons were listed for life insurance to be used in taking care of the situation. The big reason is that there is no market for the interest of

(CONTINUED ON PAGE 7)

Metropolitan Demonstrates Prepared Sales Canvass on Big Scale

NEW YORK, July 12.—Success of the Metropolitan's ordinary sales plan, which has completed its first year with flying colors, constitutes a serious challenge to the familiar objections against the idea that the entire life insurance sales process can be minutely and scientifically standardized.

No extraordinary discoveries are claimed by the Metropolitan's department of sales promotion and field education, of which Second Vice-president H. E. North is head, assisted by M. C. Fisher, assistant secretary. It is evident to any observer, however, that they have started in where nearly everyone else has left off. They have taken for granted none of the traditional reasons why a certain course of action wouldn't work.

They have left unheeded all the familiar and easy alibis by which life insurance men resign themselves to the existing situation, such as, "You can't make a salesman learn a sales talk verbatim, like an actor, because his presentation will become wooden." The Metropolitan's instructors drill the agents until they are completely natural in their presentation. And every detail must be mastered, such as on which side of the prospect to sit, how to arrange selling literature and application blank, exactly as if it were a stage production. Synchronized slide-films and phonograph records help show the correct way to do it.

Another standard alibi went by the boards: "You spoil a salesman's creative ability by trying to systematize his work down to the last detail; besides, each man's methods are so different from every other's that it is no use trying to reduce all to a standard practice."

Find Many Agents Are Eager to Be Directed

Naturally, in every company, there are agents who have worked out individual selling methods which are the best for them personally. But there are many more who are eager for direction, the more specific the better, if it will help them make a better living. The Metropolitan has found: (1) that agents are anxious to be among the first to be taught the presentation and (2) that the plan brings such a remarkable improvement in production that the benefits overshadow the fact that it is not custom-made for each agent, just as a ready-made suit will not fit a man quite so well as one which a custom tailor could make for him, but it will be infinitely better than he could make for himself.

Another familiar notion that has been challenged by the Metropolitan's plan is the often-heard statement, "Of course, you won't use this sales presentation verbatim—you'll have to put the ideas in your own words." The Metropolitan's educational department thought that a sales talk should be good enough and universal enough so that it could be learned exactly as written down. Not only that, but the whole presentation, and the prospecting interview, too, had to be worked out to the last detail. Nothing was to be left to chance, with consequent possibilities of fumbling by the agent.

Obviously this was a large order. Perhaps no such talk could be devised. On the other hand, success would mean a long step by the selling department toward the scientific accuracy of the actuarial department. To a greater extent than ever before could the life insurance sales executive say, "If we follow this particular course we can defi-

nately expect this gain in production or that saving in selling expense."

The Metropolitan's success in developing and testing such a presentation wasn't the result of a brilliant stroke of luck but came from painstaking evolution of the best ideas of practical field men into a procedure which was then tried out, improved where weak spots showed up, refined and developed until finally it was considered good enough to put into the hands of the agents.

And no less important than what should be taught is the question of exactly how the agent should be taught. This is done by a staff of traveling instructors, who teach the district managers and assistant managers how to teach the agents. It has been found that without this personal instruction the plan will not get across with sufficient momentum to insure its success.

The Metropolitan's work has great significance for the life insurance busi-

ness generally, it would appear. Organized sales presentations may have been worked out in as great detail and with as great success in individual agencies, but the Metropolitan's large field of operations makes it a convincing proving ground. The plan has been put into force over a wide range of territory, although not in all the company's offices because of the necessity of having it installed by the company's instructors. The use of the plan has been sufficiently broad to make it safe to say that here is a system which does not depend on the individual brilliance of the field instructor, the manager, the assistant manager or the agent. All that is required is a reasonable degree of competence.

If it is possible to devise a universally successful sales presentation—and the Metropolitan's experience indicates that it is—the problem of helping the mediocre agent, of selecting new men, and

getting them into quick production should be vastly simplified.

It would mean that the average agent who lacks talent for developing his own effective sales presentation would be able to utilize the talent he does have for the other side of the selling process. On the selection side, no longer would it be necessary to seek the man with the elusive combination of ability to work out a sales presentation and also to do a good job with that presentation in front of a prospect. And once a new man had been taken on, a fully standardized procedure should make it easier to tell whether he is going to succeed or fail than is possible under present conditions.

There are good reasons why the highly definitized sales technique has been so long in getting to life insurance, particularly in the ordinary field. General agents and branch office managers, as well, have usually possessed a high degree of autonomy. Life salesmen work on commissions rather than on salaries and control over agents by agency heads has been far looser than in businesses where salesmen are paid salaries. Managers and general agents have been under comparatively little control by home offices if their agencies were getting along all right.

Lack of Unified Sales Plan Is Often Encountered

Outside of laying down general policies, home offices tended to be analogous to gravel pits to which agencies went to fill their orders after making sales. Each manager used his own methods of sales management, and they might be as different from those of other agencies in his own company as from those of another company entirely.

The result was brilliant performances by some offices and poor results from others, just as in the case of individual agents. Attempts were made to transfer the stars' methods to the mediocre agents, but the process was only moderately encouraging.

Lacking either a broad field to experiment in or scientific data as a starting point, no one could be very sure he was taking over all the essentials of the star's sales plan, even though it sounded pretty good. The result was that it worked fine for the man who was keen enough to adapt the good points to his own method of selling. For the average agent, however, something more was needed. Too many agents were in the position of the farmer who wouldn't buy a correspondence course on agriculture because he wasn't doing as well as he already knew. Obviously, only a proved effective sales plan, plus competent direction, will help out in a situation like this.

Many Field Men Need Best Instruction, Training

For every salesman who can go out and make a shining success on his own, there are many more who need direction, who would do pretty well if someone would tell them just where to go, just what to say and just how to say it. To the exceptional, star salesman this might seem like fearful drudgery, but the man of average ability would rather have a little less freedom and a little more assurance that he would have enough to live on.

Adoption of the ordinary selling presentation followed the conspicuous success of two other such presentations in the industrial field. In general, the ordinary presentation is being installed first in districts which have shown the best grasp of the industrial presentations.

OBSERVATIONS ON LIFE INSURANCE

BY E. JAY WOHLGEMUTH

The signature of President Roosevelt to the Frazier farm moratorium bill is not being very well received in life insurance circles, although it is possible that its effects on life insurance investments will not be as serious as at first assumed. It apparently has been assumed that the provision restricting the application of the measure to debts at the time the act becomes effective, will obviate any interference with the free flow of mortgage credit but the belief is that it will scare off capital still further from farm loans and that the government will be called upon to assume an ever increasing proportion of farm indebtedness. Already the authorities are talking of as much as \$2,500,000,000 in loans to farmers. It has been felt that the government through the Home Owners Loan Corporation and the Farm Credit Administration had already offered a sufficient solution of the problems of the borrower upon mortgage security which has proven effective and which will be more effective every day, and this without any violent upsetting of the contract rights of the lenders. The law gives an exclusive right to the debtor to retain and purchase property which is the rightful security of the creditor on unusually favorable terms, or as an alternative, the right to retain possession of such property for five years under the protection of the court's stay of all proceedings. The creditors are denied the benefit of a public sale of and competitive bidding on property which had been solemnly pledged as their security. The law fails to recognize the fair rights of secured creditors. It permits the taking of property from mortgage creditors and the awarding of it to bankrupt farmers. There is still the constitutionality of the law to be decided.

The argument is made that inasmuch as most of the bankrupt farmers are now getting their money from the government the act will not affect the life insurance companies to any great extent. Just how far this will work out remains to be seen. There is another angle to the situation which may affect the companies. All farm mortgage holding companies now own a great many farms, or have sold them either at a loss or at a profit. The companies have figured that where they had to sell a

farm at a loss they would make this up by selling other farms at a profit. It would seem that the Frazier law will practically cut out the chances of companies making a profit on the sale of farms whereas they have sustained a certain loss in the sale of farms for less than the mortgage and accumulative costs. It will probably take some little time to arrive at a proper estimate of just how far the Frazier law is going to affect the life companies.

* * *

The big companies do not seem to be particularly concerned over the matter of securing a sufficient amount of new business; this is the least of their troubles. The American public is sold on life insurance and the life insurance companies as a whole have emerged from the depression in the best shape of any financial institution. The cost of life insurance in a good company is also not believed to be excessive. Recently an official of one of the large companies made a comparison of the cost in his company with that of the United States government insurance. His calculation on the cost of the particular policy with which he made the comparison showed that the cost was exactly the same in the government insurance department and his own company.

* * *

One might be surprised to find in the big companies a much more friendly feeling for the struggling smaller companies throughout the west and south than many of these companies maintain toward their big brethren. Some of these officials of the big companies would regard it as a distinct menace to the business if only the largest companies should survive. Indeed, they feel there might be danger of state control or government ownership, or what have you, if that condition were to result. The big companies are the first to wish for normal competition throughout the life insurance business and they recognize that if all or the largest part of the life insurance business were done by companies in one city such as New York, criticism would arise and they would have still more troubles on their hands. There is no desire on the part of any one for a life insurance monopoly or anything approaching it.

Huebner Says C. L. U. Study Not Designed for Inept Men

CONCEPT IS MISUNDERSTOOD

Originator of Movement Now Concentrating on Selling True Idea to Business

It is beginning to dawn on life companies, general agents and managers that the C. L. U. facilities are not merely a means of doing something about mediocre and new agents, but that great benefits lie in the direction of spending money through C. L. U. training on agents in the business for some time who have demonstrated their ability. Dr. S. S. Huebner, dean American College of Life Underwriters, told the Chicago chapter of C. L. U.

He expressed firm conviction that the dividend return would be larger on the latter class. C. L. U. studies were not designed for everybody. Instead, capable men and women with educational background, who are industrious and ambitious, are the ones to encourage to strive for the designation.

The C. L. U. idea was conceived over 20 years ago by Dr. Huebner, A. J. Johannsen, Northwestern Mutual, president Chicago C. L. U. chapter, said in introducing the educator. Complete plans were formulated in 1914, but not until 1927 did it take concrete shape, and the first real C. L. U. year was not until 1929. There were but 48 candidates for the examinations in 1928. The number was 114 in 1929, 235 in 1930, 523 in 1931. In 1933 there were 663, and this year 689. The movement has forged ahead steadily throughout the depression. There are now 705 with the designation. Dr. Huebner said 750 have completed all examinations, 45 will receive the designation with completion of the selling experience period. There are approximately 1,000 persons who have completed the quiz in part. Altogether, Dr. Huebner sees in immediate view 2,000 C. L. U. men and women. In numbers, the plan has been successful. It is a case now of "selling" the concept of the C. L. U. movement, not only to possible candidates but to the life insurance business as a whole. It is to this task he is now devoting himself.

It has demonstrated its great worth, he states. A large proportion of C. L. U. graduates testify that their best production years were and have been during the period of study and since. Only about seven holders of the degree appear to have left the business. It is a movement making for great reduction of agency turnover.

Sixty American colleges and universities and 45 life companies are cooperating, Dr. Huebner said. The educational institutions when they studied the C. L. U. curriculum became "exceedingly friendly" to the movement. The C. L. U. idea has been put definitely on the educational map in this country, he said.

Argues Insurers Not Subject to Federal Bankruptcy Act

Federal Judge Briggie at Springfield, Ill., has taken under advisement a petition filed on behalf of the Illinois insurance department seeking to set aside a motion made by some Chicago lawyers seeking a federal trusteeship for the defunct Peoria Life. The state takes the position that the recent amendment to the federal bankruptcy act does not apply to insurance companies.

The Illinois supreme court has now handed down a written opinion confirming the oral decision that Insurance Director Palmer should be recognized as receiver and should be permitted to proceed with liquidation of the Peoria Life in accordance with the state laws.

Companies and Agencies Are Continuing Great Sales Gains

The Penn Mutual's new business for six months exceeded the same period in 1933 by 16.4 percent, and June increase was 15.6 percent. Demand for life insurance continues to grow, President W. A. Law states, especially for income plans. The Penn Mutual is holding its annual servicing months in July and August, and the annual convention in September at Swampscott, Mass.

Record increase of \$1,278,589 in issued business for the first five days of July this year as compared with the same period a year ago is reported by the Northwestern Mutual. For six months, total paid volume is \$123,553,748, an increase of 32.4 percent. Paid for increase in June was 21.35 percent.

The Equitable Life of Iowa continues its large gains, June paid new business being \$7,408,055, the largest month since March, 1932, and a 69.1 percent increase over June, 1933. June was the Equitable's ninth successive gain month in paid business. Paid gain for the six months is \$8,950,137, or 39 percent over the first half of 1933. New business in June paid for by policyholders was 42.7 percent of entire production; percentage of business from policyholders for year, 40 percent.

Paid volume of the Ohio State Life in June was double that in June, 1933, and marked increase also was shown in the half year. On applied for basis for six months, increase was 45.6 percent, and issued volume 45.2 percent greater. Paid-for gained 51 percent, and increase is shown in volume in force. Commemorating the 28th anniversary of the founding, the field force has arranged a special campaign with two teams, one

headed by E. G. Siefert, manager Marion, Ohio, and the other by H. E. Van de Walker, manager Michigan agency, Detroit, to close July 31. President U. S. Brandt and Dr. C. E. Schilling, vice-president and medical director, have been with the organization since the first.

A 25 percent increase in paid volume of new insurance and annuities is reported by the New York Life for the six months. First premiums were received on over 109,000 policies for more than \$228,000,000 new life insurance. Each month showed an increase and gains were widespread. A sharp decline was reported in volume of policy loan applications.

The Union Central in June paid for \$23,734,118 and in the six months for \$95,130,118, the latter figure being an increase of more than 100 percent over the same period last year. This represents the greatest volume of settled business in a six-month period for five years.

The Connecticut Mutual reports for six months total paid volume of \$43,996,816, compared with \$33,333,544 for the period last year, a gain of 32 percent. Number of lives insured increased 44.4 percent, being 12,947 against 8,966 last year. Gain of 14.2 percent in new paid business in June is reported, volume being \$7,193,346 on 2,172 lives, compared with \$6,296,178 on 1,793 lives in June, 1933. For several months paid business has increased over 1933 figures: March, 39.9 percent, April, 69.7 percent and

(CONTINUED ON PAGE 5)

Companies Interested in Data on Agents' Licenses

STUDY NEW YORK RECORDS

Seek to Determine Percentage of Producers Depending Largely on Life Insurance Fees

The five-year comparison of commissions paid to agents with business done during that time, covering life companies licensed in New York State, which appeared in THE NATIONAL UNDERWRITER for June 29, has brought an inquiry as to the number of agents licensed during each of the various years by the same group of companies.

While this information would be very interesting, it is not possible to obtain it without an almost prohibitive amount of detailed research, as the New York department does not keep records of agents as such but only by contracts issued. Hence there is no way of telling whether a given license is the only one an agent has, or whether it is one of a dozen, issued by as many different life companies.

Department Records Inconclusive

A survey made some years ago by the department indicated that the average agent was licensed in from three to four companies. As far as drawing any conclusions is concerned, it must be remembered that the number of licensed agents includes brokers, full-time life agents, and part-timers, and there is no way of telling from the department which group any given licensee belongs to, even if the list of agents should be checked to eliminate duplication.

Analysis of the department's records might show that the number of licensed agents or licenses had increased, decreased, or remained substantially level during the last five years, but there might have been large and significant changes in the groups composing the aggregate. Part-timers might have increased while the number of full-time agents' was reducing, but it would be impossible to tell from department records, or even those of companies if the latter were made available.

Information Which Is Sought

What life insurance men would really like to know is what percentage of agents who depend on life insurance writings for a substantial part of their livelihood are managing to break even or better. Averages furnish no very satisfactory clue. They are pulled up by the large earnings of big producers and down by the vast army of agents who have licenses but make no attempt to earn their entire living by selling life insurance.

Kentucky Department Case Not Heard: Injunction Holds

FRANKFORT, KY., July 12.—Litigation concerning the insurance department reorganization is in statu quo, as a result of postponement of the hearing set for July 7 in the injunction suit brought by State Auditor Talbott to prevent Governor Laffoon from appointing new heads of the department of fire prevention and rates and a new insurance commissioner, under the recent ripper bill reorganizing state departments and giving the governor power to remove officeholders at will. The temporary restraining order will hold until the case is finally heard.

July 14 has been set by the appellate court for hearing the appeal of Ben Johnson, chairman of the state highway commission, involving practically the same issue and that decision may set a precedent for the insurance department case.

Everybody Knows

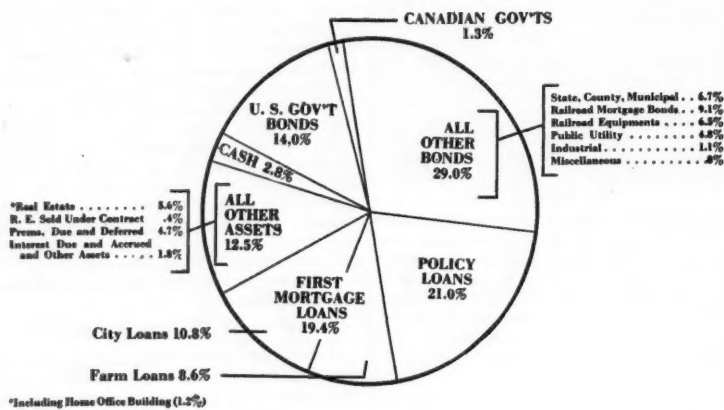
New business in June showed no let-down that might herald the approach of a Summer slump. And, as a matter of fact, there never is a Summer slump for the life underwriter who uses his time effectively in July and August. Always there are prospects enough for him, and always he earns a profitable living and expands his clientele. The average vacation among prospects is only two weeks, which leaves between six and seven weeks of the mid-Summer months in which they can be seen and sold. It is chiefly a matter of whether to work or not to work. If not to work, the excuse that "nearly everybody is away," though ridiculously untrue, serves the purpose, but it is only a flimsy, as everybody knows.

When all the nation is striving to keep business moving along and upward, life underwriters—most of them their own time masters—should keep step. Life insurance is seasonless to the man of purpose and of will.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. A. LAW, President
Independence Square Philadelphia

A Picture of SECURITY



This chart, while presenting an easily understandable picture of how well NWNL's investments are diversified as to types, only partially illustrates the fine degree to which the Company's practice of not putting "all its eggs into one basket" is carried. The chart shows neither the diversification within each investment group, nor their geographical distribution. Nor is it possible to indicate how, through a studied selection of maturity dates, a steady flow of funds for reinvestment is assured. Yet so carefully have NWNL's investments been chosen to make certain complete security for its policyholders that its portfolio contains more than 2,300 separate items ranging from \$1,000 up and secured by properties located in every state of the Union. Aside from U. S. Government bonds, NWNL's largest single investment is in its Home Office building, which represents but 1.2% of its total assets.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL

Six Months' Figures Reported

(These figures are estimates in several cases as books for June were not closed)

	New Paid Business First Six Months 1934	1933	Inc. or Dec. Ins. in Force for Six Months 1934	1933
Acacia Mutual Life	20,635,013	19,865,331	1,623,422	-6,437,679
Acme Life, Okla.	246,185	143,785	83,970	143,785
American Life, Mich.	2,173,855	1,436,252	-3,185,914	-6,790,092
American National, Tex. (Ord. only)	15,740,900	9,497,795	3,500,000	-5,875,139
Amicable Life, Tex.	10,174,994	8,376,116	4,115,132	-152,305
Atlantic Life	5,527,628	4,359,968	-2,950,020	-8,598,823
Atlas Life, Okla.	2,433,178	1,877,913	-180,167	-3,545,990
Bankers National Life	15,049,179	9,943,976	4,755,770	-2,190,823
Baltimore Life	20,543,490	19,806,141	3,000,000	-1,264,000
Bank Savings Life, Kans.	138,487	283,250	-1,994,383	-3,051,013
Boston Mutual Life	13,231,704	10,789,143	2,947,681	85,203
Brooklyn National	1,440,000	1,448,259	-75,000	-1,573,237
Buffalo Mutual Life	1,536,150	939,500	-11,000	-1,237,512
California Western States	12,225,000	9,720,017	-3,900,000	-13,473,288
Carolina Life	323,500	255,500	156,000	87,000
Central Life, Ill.	2,180,166	2,520,431	-4,053,884	-17,872,358
Columbian Mutual Life	1,330,500	1,850,000	-2,010,758	-3,520,851
Columbian Natl. Life Ins. Co.	5,701,592	4,833,224	-5,750,000	-11,358,588
Commonwealth Life	21,185,058	17,426,231	5,568,940	-1,408,735
Confederation Life, Can.	21,192,895	16,702,384	1,973,455	-8,695,192
Continental American Life	8,818,000	10,163,956	485,000	-918,026
Continental Assurance	15,628,733	13,086,521	6,044,567	-3,255,331
Crown Life, Can.	13,896,022	10,317,276	3,589,245	-3,836,430
Empire Life & Accident	972,936	579,691	579,691	230,220
Equitable Life, Ia.	22,024,000	19,403,000	-9,677,000	-20,340,000
Fidelity Mutual Life	13,724,979	10,976,383	-7,788,952	-14,894,298
Franklin Life, Ill.	8,581,010	4,828,770	-4,348,236	-16,776,109
Great Northern Life	2,620,068	2,617,285	391,939	867,545
General American, Mo.	63,600,000	51,650,000	-14,211	-727,030
Great American Life, Kans.	458,771	211,436	1,962,470	-875,039
Great American, Tex.	3,821,104	2,369,030	1,962,470	-875,039
Guardian Life, N. Y.	25,297,039	17,280,716	349,494	-529,677
Harvester Life	1,273,938	677,773	1,417,710	-1,243,415
Home State Life, Okla.	7,654,067	5,820,963	594,401	113,148
Imperial Life, N. C.	1,018,716	446,000	325,000	-5,023,000
Indianapolis Life, Ind.	6,004,000	4,492,537	1,236,724	-18,993,741
Jefferson Standard Life	22,562,400	14,349,200	16,372,323	-31,148,477
John Hancock Mutual (Ord.)	120,424,847	97,701,019	53,077,079	-7,055,847
John Hancock Mutual (Ind.)	162,854,868	140,957,265	22,226,398	-7,441,182
John Hancock Mutual (Group)	6,415,850	7,872,752	1,275,134	-2,565,076
Lamar Life	5,644,200	3,982,791	782,258	-583,852
Liberty National, Ala. (Ord.)	3,116,180	2,232,666	2,409,280	-2,551,393
Liberty National, Ala. (Ind.)	12,500,238	10,952,035	1,343,329	-795,202
Life & Casualty, Tenn.	7,293,893	7,148,234	988,718	183,255
Lincoln Liberty Life, Neb.	3,806,556	3,572,488	6,200,000	-8,006,821
Manufacturers Life, Can.	29,981,899	25,356,395	-132,160	-3,885,780
Michigan Life	2,558,213	1,846,499	109,150	-2,211,676
Midland Life, Mo.	3,283,761	2,402,544	-3,061,132	-9,882,686
Minnesota Mutual Life	15,816,098	11,495,231	12,478,737	-1,505,411
Mutual Life of Baltimore	35,336,761	31,761,629	165,000	16,000
Mutual Old Line, Ia.	228,000	46,750	-1,196,458	-318,734
National Fidelity Life	2,342,392	2,413,173	-990,713	-1,643,830
National Guardian Life	1,529,351	1,417,988	-12,401,486	-21,637,946
National Life, Vt.	14,181,989	13,912,160	17,521,438	-16,457,165
New England Mutual	74,934,957	56,444,301	9,502,357	-3,529,917
North American Life, Can.	11,339,100	9,502,357	-300,183	-1,375,669
Oregon Mutual Life	2,761,253	1,645,614	538,517	-1,357,127
Pacific National Assur., Utah	1,338,500	927,750	-2,874,419	-8,455,584
Pan-American Life	10,883,218	8,758,820	-24,000,000	-53,003,740
Penn Mutual Life	80,542,106	69,212,887	-796,656	-22,836,947
Phoenix Mutual Life	24,722,010	14,749,928	-9,629,543	-26,408,164
Provident Mutual Life	40,251,088	34,959,511	1,451,885	22,646
Public National Life, Mo.	2,310,250	968,446	-15,342,841	-37,221,117
Reliance Life	19,406,483	13,701,943	8,748,276	-4,475,703
Reserve Loan Life	7,517,757	7,748,276	-548,151	-5,157,444
Security Mutual Life, N. Y.	6,844,850	4,141,026	1,081,695	23,114
Standard Life, Miss.	1,006,138	1,081,695	5,637,402	-12,065,857
State Life, Ind.	5,548,401	5,637,402	369,515	588,731
Teachers Insurance & Annuity	1,605,729	1,543,216	859,970	343,527
Union Mutual, Ia.	1,342,940	2,993,166	-1,103,690	-3,109,130
United Life & Accident	1,822,856	1,715,377	26,411	-298,750
United Life, Kan.	591,243	497,200	1,016,867	-3,520,976
United Benefit Life, Neb.	11,181,052	12,133,261	830,000	7,958,974
Victory Life, Kan.	1,018,000	830,000	1,769,922	-1,680,317
Volunteer State Life	4,407,708	4,095,470		
Wisconsin National Life	1,867,787	1,769,922		

*Including group.

Court Overrules Charges in Chicago National Case

Judge Lindsey in the circuit court at Chicago has overruled an intervening petition filed by a claimant in the reinsurance of the Chicago National Life by the Pacific States Life two years ago. The cross petition was filed by Michael J. Boyle, claimant on a death claim for \$8,750.

The intervening petition came on for hearing this week in Judge Lindsey's court. Witnesses were called in the effort to prove that the court was imposed upon when it signed the decree of June 3, 1932, approving the reinsurance. The overruling of the cross petition indicates that the court did not believe that the charges of fraud and collusion had been proved.

The object of the cross proceeding was to undo the reinsurance of the Chicago National and order the restoration of the assets to the receiver of the company. The assets had been ordered turned over to the Pacific States.

The cross petition set out at great length the alleged steps taken by the officers and directors named in the allegations to effect the reinsurance. The hearing on the charges lasted for two

Speicher and Martin on National Convention List

Paul Speicher of Indianapolis, managing editor of the "Insurance R. & R. Service," and Stanley E. Martin of Columbus, O., John Hancock Mutual agent, are two speakers announced for the annual convention of the National Association of Life Underwriters in Milwaukee, Sept. 24-29. Mr. Speicher is a former school man, having been connected with the school of business administration, University of Wisconsin, and then with Indiana University. He has written a number of life insurance pamphlets and documents. Mr. Martin is a graduate of Ohio State. He joined the Pacific Mutual Life at Columbus in 1930 and went with the John Hancock Mutual in April of last year.

days and at the end of the testimony Judge Lindsey sustained the original contract.

G. J. Voelkers of the South Bend, Ind., agency of the John Hancock Mutual Life has been appointed assistant manager in charge of the La Porte and Michigan City districts.

COMPANIES AND AGENCIES CONTINUE GAINS

(CONTINUED FROM PAGE 3)

May, 70 percent. In June, paid sales on all classes of business including life, retirement annuities and single premium annuities amounted to \$9,890,005, compared with \$8,423,133 in June, 1933. Six month's business on this basis was \$58,898,130, a gain of \$16,374,345 over last year.

* * *

Marked progress was made by the New England Mutual in the first six months. President Smith, in a national telephone broadcast to agents, reviewed conditions.

In the half year the company had the largest business, in applications received and new insurance paid for, of any six-months period in its 90 years. Total was \$75,000,000, a gain of 33 percent. In June, "Policyholders' Month," a

greater number of applications was received than in any other single month in history. Paid business exceeded by almost a million the large total of June, 1933.

Mortality was 5 points less than it was at the same time last year. Terminations in 1932 and 1933 exceeded new business issued in almost every company, but June 30 the New England Mutual had a gain of \$17,500,000, total in force being \$1,267,000,000. The proportion of term insurance has decreased. New premium income, exclusive of annuities, gained 43 percent. Surrender values paid in cash decreased radically. Requests for new policy loans have practically returned to pre-depression level, and repayments of existing loans are 50 percent higher than at this time

last year. Assets are \$9,000,000 greater than on Jan. 1.

* * *

Equitable, N. Y. paid-for business for June in life insurance and annuities totaled \$69,588,000, an increase 60 percent over June, 1933. For the half-year, the total was \$340,717,000, an increase of 35 percent over the same period in 1933.

* * *

National Life, Ia.—70 percent increase in June, six-month gain 92 percent. Six-month increase in number of applications 103 percent while 35 percent more agents produced business. June, first in the company's four-months celebration of its 35th anniversary, was the second largest month of the year.

* * *

American Central—June volume of new business more than doubled.

California-Western States—Six months new paid business, \$12,225,000; decrease insurance in force, \$3,900,000; first six months 1933 new paid business, \$9,720,-

017; decrease insurance in force, \$13,473,288.

Lafayette Life—New business up for first quarter 20 percent; second quarter, increase, 29 percent.

Continental Assurance—Six months' increase 58 percent, annuity premiums almost 2½ times greater, policy loans 30 percent less. Insurance in force exceeds \$173,500,000, or over a million a month increase this year. Liquidity remains over 13 percent of assets. Repayments on policy loans 6 percent of amount loaned in 1932, 12 percent in 1933, 24 percent in 1934.

Jefferson Standard Life—Gain in insurance in force for the first half of 1934 \$310,047. Renewal record on business less than two years old stands higher than for any six months' period since 1929.

Washington National—More applications for greater volume of ordinary in June than in any month before, and June was largest paid-for ordinary month in history. More ordinary in force on June 30 than ever before. First-year premiums increased 44 percent, renewals

Seventy-one Years in business

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

Complete life insurance service

More Life Insurance Policies and Annuity Contracts were bought during 1933 from the New England Mutual than in any year in the Company's history.



AGENCIES IN SIXTY CITIES

FOR SALE

Stock Control of Old Line Legal Reserve Life Insurance Company.
In Sound Condition.

Address P. O. Box 1535 Fort Worth, Texas

51 percent; for six months, first-year premiums increased 20 percent, renewals 40 percent. Ordinary department club year ended June 30, showing increase of ordinary in force over June 30, 1933, of 15 percent.

Atlantic Life—Paid business for six months 36.5 percent ahead of period in 1933; June best month since December, 1931.

Home State Life—Continued increase in business in force, and a material improvement in general financial condition. Mortgage loans reduced 14 percent in six months and liquid assets increased 80 percent. Increase in paid business 36 percent, with increase in force June 30, 1933, of 31 percent. Increase of business in force for the first six months 8 percent; total in force June 30 \$18,457,924. Mortality rate continues favorable, 36.2 percent of expected.

Reliance Life—Substantial gains in new insurance for six months. New paid business \$19,406,483, gain 42 percent; accident insurance \$2,732,932, gain 43 percent. In the Pittsburgh district the Reliance placed in force 2,457 new life policies for \$5,041,000; increase 36 percent.

* * *

Business Men's Assurance—June was the best month of 1934, with production of 15,796 points, equivalent of \$5,268,000 life insurance, although a part of the volume was represented by accident and health insurance. There is \$97,924,000 life insurance in force. It is hoped to have \$100,000,000 in force by the end of the silver anniversary year. In the six months paid life business was \$13,756,445, compared with \$11,396,245 in the period a year ago. Business in force was increased \$3,491,523, compared with \$2,541,780 decrease in 1933.

* * *

Will S. Reeve general agency, Union Central Life, Detroit—Paid for \$1,224,275 in the first half year, more than double paid volume of corresponding period in 1933.

Edward A. Woods Co., general agents, Equitable of New York, Pittsburgh—June sales larger than in any month for over two years and almost double those of June, 1933. Paid total in June \$15,916,925, gain 90 percent; for a half year, gain 26 percent in ordinary, 75 percent group, 21 percent gain in premiums.

Sam C. Pearson agency, Northwestern Mutual, Kansas City—The "Tigers," members of his western Missouri agency, delivered over \$300,000 in last ten days of June, for total \$501,902 paid business for month, defeating James Copeland's "Towans," and George Metzger's "Kansans," in a contest.

Probable Bidders for the Register Life Business

DAVENPORT, IA., July 12.—At least five of the eight companies which have made inquiry to receivers of the Register Life are expected to file definite bids for the reinsurance business here next Saturday. The companies considered the most likely to deposit bids with the receivers are Central Life of Des Moines, National Life of Des Moines; Guaranty Life of Davenport, Security Mutual Life of Lincoln, Neb., and Illinois Bakers Life of Monmouth, Ill.

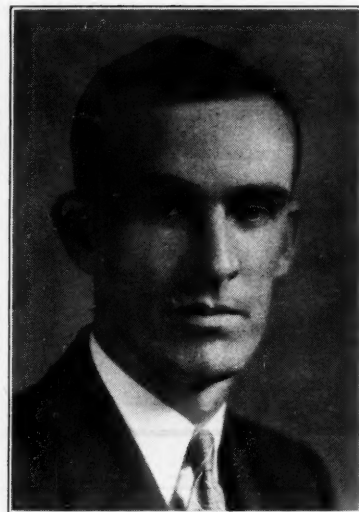
No immediate action will be taken on the bids when they are received, Commissioner Clark and J. J. Shambaugh, receivers, said. The bids will be thoroughly studied and analyzed by a special actuary whose report will first be turned in to the receivers before a recommendation is made to the Scott county district court in which the company is in receivership.

Mr. Shambaugh has named Wilbur M. Johnson of Chicago, vice-president and actuary Central Life of Illinois, to examine proposals filed.

Polsgrove Made Supervisor

R. C. Polsgrove has been appointed supervisor by R. L. Jones, general agent in New York City of the State Mutual Life. Mr. Polsgrove has been connected with that office for the last two years and previously was in the lumber business. He is a graduate of West Point, class of 1924, and left the army in 1926.

Named Secretary



JAMES E. DONOVAN

The Volunteer State Life announces the appointment of James E. Donovan as secretary. He has been connected with the Volunteer State Life 20 years, having served the company continuously, except during the war, since completing his education.

He began as an employee in the medical department, was later transferred to the actuarial department and was made assistant secretary in 1922.

Three Regional Gatherings

Mutual Trust Officials Speak in Milwaukee, Green Bay and Minneapolis

Three regional conventions are being held by the Mutual Trust Life of Chicago, the first at Milwaukee July 11. President E. A. Olson, Vice-president A. B. Slattengren, C. W. Noble, agency director, and C. E. Menor, Jr., chief underwriter, attended the first session and spoke, and Messrs. Slattengren and Noble are speakers at the two other meetings.

The second meeting is in progress July 12-13 at Green Bay covering northern Michigan, Sheboygan, Manitowoc and Stevens Point territory. The third session is at Minneapolis July 19-20 covering all of Minnesota and Eau Claire, Wisconsin territory. The theme running through the meetings is "Raising Your Sights." Vice-president Slattengren is chairman at the gatherings.

There will be no convention of the Old Faithful Club this year, it being replaced by the regional meetings.

The president's trophy was won by the Seattle office for percentage increase over quota.

Agents' Body Closes Fiscal Year With Record Roster

At the close of the fiscal year, June 30, membership in the National Association of Life Underwriters stood at 20,845, a 45 year record. This figure is to be compared with 18,750 in 1933 which represents a gain of 11.1 percent. The previous peak was in 1932 when the year closed with 19,864.

A gain was made by 124 local associations and six more equalled their last year's figures. Twenty-nine states and Hawaii equalled or exceeded their 1933 totals.

A jury of award, composed of the five last past-presidents of the National association, will meet in July to award the prizes which were offered at the beginning of the 1934 membership effort to those local associations doing the most outstanding job in their locality.

Four Tendencies Affecting Policies

(CONTINUED FROM PAGE 1)

the deceased partner. There is no way to tell what it is worth, probably no buyers except the remaining associates, and very often no funds with which to buy the interest left by the deceased partner to his widow or children.

Other reasons included the importance of providing a fixed means of taking care of the deceased partner's interest regardless of business conditions; the advantage of closing out the family interest for cash, instead of forcing those unfitted to take part in it to continue an interest at the mercy of others; protection of the business against the need of buying out a deceased partner; taxes; protection of survivors against inactive outsiders and drones.

Dr. Huebner reviewed advantages of life insurance in taking care of these contingencies, as compared with the only other method, namely, accumulation of funds from year to year. Life insurance provides funds the first year, or the first day.

Economic and Technical Phases

The sale was divided by Dr. Huebner into the economic and technical. He said any competent life insurance man can make the sale on the economic reasoning. On the technical side there is a great deal to learn and he frankly advised the agent who is unable to handle technicalities to call in an expert on a commission-sharing basis, because if the thing is not properly handled the sale will be lost. The technical side is very involved and includes such problems as valuation of a partner's interest, payments of premium, whether by partners or by the firm or corporation, reimbursement of premium payments to the estate of the deceased stockholder or partner, valuation of the deceased's interest, selection of the beneficiary, etc.

Interest Earnings Down

On the trend to lower interest rates, Professor Huebner pointed out how the country is overflowing with money because ordinary users are barred by present conditions. The security market of 1933 killed off the investment outlet. He touched briefly on the foreign loan market, which is exceedingly dead. Huge classes of investments seem to be definitely out for the time being.

He remarked that the sale of bonds by the Pennsylvania railroad seemed to break the depression of 1920, and he asked whether the sale of bonds by that railroad at the present time may not be a hopeful sign. Nevertheless the plethora of idle funds is so great that it is impossible to see a high interest rate in the near future.

The point of this for insurance men is that the life insurance portfolios were accumulated when interest rates were higher. A life policy offers an investor a chance to participate in present portfolios. Furthermore, life companies have improved their positions during the depression because they were among the few institutions that had money to buy high class bonds on favorable terms.

Taxes Will Be Enormous

The need for immense taxation to pay for the present public expenditures as well as the past public indebtedness is obvious. The doctrine of "soak the rich" is a squeezed orange. The only source of revenue is the middle class, which buys the great bulk of life insurance. Both the government and the legislatures have favored life insurance in the matter of taxation.

Devaluation of the dollar, said Dr. Huebner, will lead to a rise in cost of living such as is scarcely foreseen as yet. The full effect of devaluation has not been felt and cannot be until light breaks through the clouds and business begins to go upward. As soon as that time comes, however, living costs will

go up in direct ratio to the decrease of valuation of the dollar.

Wage earners will be protected by labor unions and by the law of supply and demand for labor, but people who depend on thrift and the result of thrift, namely, investments, need more income to meet higher prices. Devaluation of the dollar creates a crisis for widows, children and the aged, who are not living on their daily labor.

More Companies to Change Basis

(CONTINUED FROM PAGE 1)

investment problem is more acute, companies are desirous of cutting down and discouraging what might be termed investment income.

Many people are simply running to the life companies with their money, feeling that their judgment as to investments is much better than bankers and financial brokerage houses. Agents found that they could sell annuities, single premium payment policies, short term endowments with desirable options and hence they were building up their clientele among people who had money to invest. Many of these were well along in years. Some may have been in rather

poor health but all had confidence in the life companies as the best form of investment trust.

The new federal income tax amendment affecting annuities will in a measure discourage the purchase of annuities if the annuitant heretofore felt that it was desirable investment from a tax income standpoint. The new regulations regarding annuities will have a deterrent effect. The general opinion is that there will soon be another overhauling of annuity rates and that they will be increased because the interest factor becomes a paramount one. Companies do not know what the future holds forth for them. All well informed investment people realize that invested capital will not earn what it has in the past. There will be a leveling down of income so that the people at large, the actual workers, will get more in proportion than invested capital. Whatever one may feel regarding President Roosevelt's policies, he realizes that more people must get to work and those that are at work must receive adequate income. Therefore the general trend will be for money itself invested not to earn what it has in the past in the way of interest and dividends.


Then again life companies do not know what may be necessary in the way of increased taxes to meet the enormous federal outlay. Altogether the future rate of interest becomes an arresting

one with company executives. The tendency will be far less savings from interest than has been the case before. Companies have relied on a comfortable margin over their legal rate. Now with a larger percentage of investments not even earning the legal rate, the average will be greatly cut down. In fact, many executives are puzzled to know just what securities to purchase. There is such a wide variety of opinion among company executives that it is a puzzling thing to decide what to do.

Opinion of an Executive

Speaking of the future of annuities, one of the large company executives said the other day:

"I think it is a mistake to throw so many discouragements in the way of writing annuities. If a company feels any danger, then in my opinion it should quit writing them entirely. There certainly can be a more just balance between the interest and mortality factors. In my opinion mortality has been a factor in the past because the odds have been against the companies. Annuitants have lived longer than the tables anticipated. There has been something in the psychology of human nature that I think has brought this about. Many of us have trained our agents to write annuities. In fact we have encouraged this class of business. If now we en-

20	12	10	15	20
12				12
10	<p>20 NEW Names</p> <p>12 Appointments</p> <p>10 Presentations</p> <p>15% SALES</p>			10
15	<p>Given effective methods of finding prospects</p> <p>An Interview Sale that gets the appointment</p> <p>And Visual Presentations that hit the spot—</p> <p>We need only a man willing to put the three together out on the street. THEN SALES JUST HAPPEN.</p> <p>Records based upon weekly reports of several hundred men now following the plan—for a total of over 6,000 weeks—over 120 years work—show that our ideal of 15% sales is none too high.</p> <p>The difficulty lies in getting a man to do the "20-12-10." For the man who will follow the plan the 15% takes care of itself.</p> <p>Can you go thru motions that are sure to produce results? If so, write</p> <p>Harold J. Cummings, Vice-President</p> <p>THE MINNESOTA MUTUAL LIFE INSURANCE CO.</p> <p>Saint Paul</p>			15
20	12	10	15	20

VACATION DAYS....

are the happiest days of the year . . . but . . .
they are the most dangerous.

Already accidents for 1934 have increased over 1933, when 31,500 were killed in automobiles, and 90,000 were permanently disabled.

Swimming is good summer sport, but it, too, takes a heavy toll each year.

There's an accident in the United States every two seconds, day and night.

The Accident insurance provided by B. M. A. aided greatly to relieve the \$2,000,000,-000.00 wage and expense loss resulting from accidents in 1933.

Now when incomes are so important—they must be protected. B. M. A. salesmen are equipped to protect the citizens of this country against loss of income caused by sickness, accident, old age and death.

This complete service accounts for the almost unprecedented growth of the . . .

BUSINESS MEN'S ASSURANCE COMPANY

Kansas City, Mo.

W. T. GRANT, President

More than \$32,000,000.00 Benefits Paid

deavor to discourage the writing of annuities by every possible means we are likely to cause disaster among many of our agents because for the time being their clientele is among the class of people that are annuity-minded or have money to invest and are seeking the best way out. Perhaps there should be a more searching investigation and examination of applicants for annuities so that the companies will not always get the long lived ones. There may be a better average now with more people buying annuities. I think in the past the main purchasers have been those that felt their longevity was pretty well assured."

Some companies have featured annual payment deferred annuities with the in-

come starting at a certain age with a cash value provision. Many think that the cash value allowed is too large. A number of life men have come to the conclusion that people have used that contract merely to create a fund at a certain time. The investment feature has been attractive.

Some Pay on Instalment Plan

Some companies are paying the cash refund on the instalment plan. Where there is a provision for any form of lump sum settlement then opinion is veering to the point where this should provide instalment payments. This is particularly true where any form of cash value is permitted.

As SEEN FROM CHICAGO

ACACIA AGENTS IN OUTING

The Chicago agency of the Acacia Mutual, managed by L. S. Broadbudd, held an outing at Northwestern Golf Club near Chicago, 90 persons attending. It was a basket lunch affair, beef-steak and frankfurters being broiled on charcoal fires. There were two ball games between the north and south side Chicago salesmen, each winning one game. The men's long driving golf contest was won by H. E. Benjamin and the women's long driving contest by Mrs. Broadbudd, with Mrs. E. K. Surridge second. There was an egg throwing contest.

* * *

HARRY ANDERSON RESIGNING

Harry W. Anderson, manager life and accident departments of the Rockwood Company, Chicago, general agents of the Travelers, has resigned as of July 15 as a result of plans to advance himself in agency work. He will go on vacation to his summer home at Delavan Lake, with a side trip into the north woods, and will announce his plans later. Mr. Anderson was tendered a luncheon Thursday by the agency force. He has been in charge of production in the office 12 years and connected with the Travelers for 14 years in Chicago, where he started in the branch office.

* * *

HAS LOWEST LAPSE RATIO

Of the 10 New York Life Chicago offices, the Clearing House branch, Frederick Bruckholz, agency director, had the lowest lapse ratio last year on less than two-year-old business.

* * *

NINE MILLION-DOLLAR AGENCIES

Chicago agencies of the Equitable Life of New York in June paid for more than \$6,500,000, an increase of 65 percent over June, 1933. There were 169 Chicago agents who qualified to attend the "Diamond Anniversary" meeting of the Equitable in New York July 26. The June paid total was \$6,560,932 with premiums \$239,661, compared with \$3,976,187 with premiums \$130,757, an increase of 65 percent in volume and 83 percent in premiums. For the year to date the Chicago agencies have paid \$29,711,218 with premium volume \$1,047,359 compared with \$21,978,869 with premiums \$746,718, or 35 percent volume increase and 40 percent premium increase. The central department, directed by W. M. Rothaermel, superintendent of agencies, in June paid for \$20,903,364, with \$722,306 premiums, as against \$11,648,983 and \$413,108 premiums in June, 1933, or volume increase 79 percent, premium increase 75 percent. For the year to date the department has paid for \$100,527,797, with premiums \$3,389,863, compared with \$67,130,158 volume and \$2,386,731 premiums for the same period of 1933, or 49.8 percent volume increase and 42 percent premium increase. There were nine million-dollar agencies in the department in June; R. M. Ryan, Detroit, \$2,102,000; A. M. Embry, Kansas City, Mo., \$1,735,000; M. C. Nelson, Des Moines, \$1,343,000; Sam Lustgarten,

Chicago, \$1,267,000; P. B. Hobbs, Chicago, \$1,197,000; W. V. Woody, Chicago, \$1,181,000; H. L. Rogers, Indianapolis, \$1,125,000; E. L. Carson, Milwaukee, \$1,008,000, and A. B. Shea, Minneapolis, \$1,001,000.

* * *

BEATS 1933 IN SIX MONTHS

Paid production of the H. A. Zischke agency of the Union Central in Chicago for the first six months was \$5,529,000 or \$300,000 more than the agency paid for in all of 1933. The June paid business totaled \$951,000. The agency had over \$8,000,000 written business for the six months.

Judge Elliott Honored

Daniel Boone, president Midland Life, was host in Kansas City to 13 middle west life company executives in honor of Judge B. K. Elliott, retiring counsel-manager of the American Life Convention, who has been named solicitor general of the John Hancock Mutual.

Mr. Boone was president of the American Life Convention last year, and his guests were limited to close personal friends of Judge Elliott, men who had been intimately associated with him in his work with the A. L. C. The party included H. K. Lindsley, president Farmers & Bankers Life; W. W. Head, president General American Life; F. W. McAllister, general counsel Kansas City Life; S. B. Sebree, general counsel Midland Life; O. J. Arnold, president Northwestern National Life; W. T. Grant, president Business Men's Assurance; Col. C. B. Robbins, new manager of the A. L. C.; Henry Abels, vice-president Franklin Life; I. M. Hamilton, president Federal Life; W. E. Webb, Hercules Life; W. J. Bales, vice-president Midland Life, and Lee N. Parker, president American Service Bureau.

J. R. LaClear, agent for the Michigan Life, and C. A. Potter, agent for the Sun Life of Canada, have formed a general insurance agency with office in the Commercial block, Mt. Pleasant, Mich., and will write fire and casualty lines as well as life.

Commissioner Olsness Meets With a Defeat

Insurance Commissioner S. A. Olsness of North Dakota went down in defeat with the rest of his ticket, Harold Hop-ton being nominated. Both were on Non-partisan League tickets but Commissioner Olsness joined with others in opposing the renomination of Governor Langer, who was recently convicted in a federal court of conspiring to obstruct an act of congress. In spite of this the Langer ticket was nominated. Mr. Olsness is the dean of the insurance commissioners in point of service and is regarded as one of the most reliable and useful. He is a member of the executive committee of the National Convention of Insurance Commissioners and is held in high regard by other commissioners.

Arkansas Agent Makes Record as Conventioneer



F. GARLAND MAY, SR.

F. Garland May, Sr., of Pine Bluff, Ark., in qualifying for attendance at the 75th diamond jubilee convention of the Equitable Life of New York, July 25-27, hangs up the record of having qualified for 18 insurance conventions, never having failed in such an objective. He is special agent for the Equitable Life in the L. G. Moses agency of Little Rock. Mr. May was general agent for the Security Life of Chicago and when that company failed in 1932, joined the Equitable Life four days later. He was Arkansas state agent for the Security Life and built the second largest agency for that company. In his 15 years with the Security Life, he never wrote less than a quarter million a year. He was president of the company's club on several occasions. He was one of the organizers of the Pine Bluff Life Underwriters Association and has been executive committeeman of that association for seven years. His son, F. Garland May, Jr., is associated with him.

Penn Mutual Life Issues Its Annual Tax Primer

The Penn Mutual Life has just issued the tenth edition of its authoritative "Tax Primer." Its first printing in January, 1920, was intended for use by its agents, but within a few weeks lawyers, accountants, business men, executives of great banks and of other corporations were asking for copies and acclaiming it as one of the best available sources of information concerning the federal revenue law in its relation to life insurance, endowments, and annuities. The "Tax Primer" makes no pretense of being a complete source of information. The body of the text matter is in the form of questions and answers, and the answers are expressed in non-technical language, short and to the point. The author is E. Paul Hutter, agency secretary and tax counsel.

Jess Read Renominated

OKLAHOMA CITY, July 12.—Jess G. Read became the Democratic nominee for insurance commissioner Monday by the withdrawal of his run-off opponent, S. W. Philpott. His vote was 87,098 as compared with 40,533 for Mr. Philpott, his closest competitor.

Mr. Read has been Oklahoma commissioner since 1924. He had previously represented the Pacific Mutual Life at Hobart. He is now secretary of the National Convention of Insurance Commissioners.

Mr. Philpott is one of the leading agents of the Mid-Continent Life.

Dr. Huebner Gives Talks in Detroit and Milwaukee

Dr. S. S. Huebner, dean American College of Life Underwriters, made two talks, before the Qualified Life Underwriters of Detroit and the Kiwanis club in Milwaukee. More than 500 agents heard his address on "Life Insurance and the Problems of Business Recovery" in Detroit. He traced the history of the depression for five years, expressing opinion the country definitely is on the way out, but that upward trend will be slower than the drop. The first sign of the next improvement will be an upward trend of the stock and bond market, he said.

He was guest of honor at a luncheon given by the Detroit C. L. U. chapter. R. E. Olmsted, general agent Penn Mutual, presided and G. E. Lackey, general agent Massachusetts Mutual and councillor American College of Life Underwriters in Detroit, introduced Dr. Huebner. The educator conducted a school on problems of taxation, devaluation of the dollar and economics of life insurance for 90 agents of the Massachusetts Mutual in Detroit, Flint, Battle Creek, Grand Rapids and Toledo.

In Milwaukee, Dr. Huebner also discussed the depression. Recent securities reform legislation, he said, was largely vote getting procedure for politicians. The new stock exchange law, he said, is largely innocuous. If margin requirements are made too high, people will take their money out of life insurance and savings banks to buy securities.

While in Milwaukee, Dr. Huebner conducted an educational meeting for the A. J. Butzen general agency of the Massachusetts Mutual.

Dr. Huebner also addressed an all-day meeting of the Carl BeBuhn agency of the Massachusetts Mutual Life at Davenport, Ia.

New Indiana Handbook Is Out

Complete Reference Work for All Interested in the State in Insurance Subjects

The 1934 edition of the Indiana Underwriters Handbook comes from the press of THE NATIONAL UNDERWRITER. This is one of the most important insurance states of the central west. Indiana has always taken high rank in the business. This reference book and compendium of insurance information is a revelation of the growth of insurance in the Hoosier state. During the year a number of changes have taken place in agencies and the new issue therefore brings all the offices up-to-date. There is a complete list of agencies in every city and town, giving the companies represented. There is a vast amount of miscellaneous insurance information. There is a complete list of all companies licensed in the state together with their financial items, officials, field men, officers, etc. The statistical information showing the "Record of Insurance in Indiana" for the last six years is important and gives for the first time in printed form the experience in 1933 of all the companies in the state. This is a very convenient, accurate and useful book of information.

New Advertising Conference Date

At a meeting of the executive committee of the Insurance Advertising Conference in Boston it was decided to change the date of the annual meeting at the Westchester Country Club, Rye, N. Y., from the second week in September to the first week in October as the committee discovered the later date would be more convenient for the majority of members. The dates of the meeting will now be October 1-3.

Employees and agents of the Western & Southern Life in northern Indiana, with their families, enjoyed a picnic at Michigan City.

Advertising

that comes to life on the page ...



"Don't risk it, Ed. You see, I had put off getting enough life insurance—waiting for better times. Then this illness . . . and now perhaps I can't get it!"

"That's all right, Joe. You'll be as good as new before long." (To himself) "This is a lesson to me. I'm not going to wait any longer to investigate the Union Central's Economic Adjustment Plan. They say with that plan a man doesn't have to wait for better times to secure adequate protection for his family."

Look at this photograph again. It is the type of picture that appears in Union Central national advertising to tell families, in human terms, about an insurance plan that will give them "full protection at once even on a reduced income."

To the reader of The Saturday Evening Post, Time, or Collier's, pictures like this one come to life right on the page. These are real people (just like his own family) with real problems (just like his own).

So it's perfectly natural that the reader should say to himself, "I like that company. It's human." Men in the field say that it's half the battle to find the prospect in that frame of mind on the first call!

The UNION CENTRAL Life Insurance Company

CINCINNATI

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York
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Value of Visual Selling

VISUAL selling is fast finding its place in putting across ideas to agents as well as for agents. The recent CONNECTICUT GENERAL LIFE convention confirmed the experience of other life companies pioneering in this field, which is that agents are vastly more receptive to sales ideas and principles when they are presented through the vivid medium of dramatic sketches.

Obviously the same principles apply here as in the case of the salesman who uses visual aids to advantage on his prospects, except that the value of a still picture is heightened many times when the characters are alive and in action. In presenting sales ideas to their agents, companies are following the same course that they suggest for the sale of insurance to prospects: make the presentation vivid, dramatic, free

of abstruse details, appealing to the heart as well as to the mind.

An adroitly written and skilfully produced playlet can give a life insurance man a new slant on his business that reading books or listening to addresses cannot. It comes nearer Louis Untermeyer's definition of poetry as the shortest emotional distance between two points.

The cause of insurance dramatics has got off to a good start. Fortunately, the four companies which have given over large shares of their convention programs to playlets had the services of a director who knows how to get the most out of amateur actors, as well as how to eliminate the amateurishness which sometimes makes productions of this kind tiresome to the audience.

Show Appreciation of Life Insurance

THE "Associated Press" has made a calculation showing that the people of this country are paying life insurance premiums at the rate of about \$10,000,000 a day or \$425,000 more than a year ago. It has gathered figures from 42 of the larger companies writing 85 percent of the business, showing that during the first five months 5,661,054 policies were issued compared with 4,934,000 in the corresponding period of last year. Premium receipts increased \$42,-

675,000 during the same five months.

More than half the population of the United States now carries life insurance. In other words, there are between 68,000,000 and 70,000,000 people who have insurance policies out of a population of about 130,000,000. There are probably 90,000,000 policies in force. These figures are encouraging, showing that business is on the upgrade and people appreciate the value of life insurance.

How Insurance Fits the Needs

THE public at large is interested these days to know how insurance will fit the needs of human life and property. We are surrounded with various hazards. We are exposed to different dangers. We have our own individual welfare to

look after and that of our dependents. We have property and it should be protected. Therefore the premium payer wants to know what insurance will do for him and his possessions, as his first interest.

Necessity for Live Wires

We all know that in order for electricity to do its work there must be a live wire. When there is no live wire there are no results. A live wire may be dangerous when uncontrolled. When directed along proper lines it becomes most constructive and beneficial. In the

world of business it is the live wires so to speak, that are successful. They are alert, intelligent and resourceful.

GREAT men at close range often seem so ordinary, so human, that it inspires new faith in oneself.—George A. Boissard.

PERSONAL SIDE OF BUSINESS

Anthony Finberg of St. Paul has been advised by the Great West Life of Winnipeg that he led all agents in the United States in production in the first half of the year. He ranked second among all the agents in this country and Canada.

R. S. Kinsinger, 37, assistant actuary of the Yeomen Mutual Life, met his death in Lincoln, Neb., in a fall from the 11th floor of a downtown building to a gravel covered court roof five floors below. He was in Lincoln visiting a brother.

Sam F. Clabaugh, president of the Protective Life, has been elected a director of the United States Chamber of Commerce to fill the unexpired term of T. G. Woolford of Atlanta, who became vice-president. Mr. Clabaugh will represent Alabama, Georgia, Tennessee, Mississippi and Florida. He is president of the Birmingham chamber.

President H. A. Behrens of the Continental Casualty and Continental Assurance has gone to his summer home at Belvidere Island, San Francisco Bay, for the summer and will return after Labor Day.

R. H. Brown, general agent of the Connecticut General in Bridgeport, Conn., completed 20 years service with the company this month. The insurance in force in his agency has grown to nearly seven times the amount it was when he took charge. A substantial accident and health premium account has also been developed. The Bridgeport agency has been directed by the Browns, father and son, for 32 years. The late F. F. Brown went with the Connecticut General in 1898 and became general agent in 1902. R. H. Brown after five years as an agent became a partner with his father in 1919 and since the latter's death has been head of the agency.

Other veterans in the Connecticut General field force with anniversaries in July are S. W. Sawyer of Worcester, Mass., who has been with the company for 40 years, and S. H. Tracy of Philadelphia, who has been with it for 20 years.

M. A. Nelson, a St. Louis manager of the Equitable Life of New York, is celebrating his 25th anniversary with the company. He started with the Equitable in Little Rock and went to St. Louis about 15 years ago.

W. E. Bues, 53, for 16 years superintendent of the Columbus, O., agency of the Federal Union Life, died following an operation for tumor on the brain.

Insurance Director Lee Herdman of Nebraska is again in a hospital, seriously but not critically ill. He has been troubled with heart complications for a long time, but was improving when he was overcome by the heat while in his office.

Celebrating a paid-for production of \$400,000 for President's Month in June the Nathaniel Reese general agency of the Provident Mutual Life in Detroit, producers and office force, were guests of Mr. Reese at an outing at Huron Hills Golf Club near Ann Arbor. Autographed photographs of President Linton were awarded to the four President's Month contest winners—D. H. Reese, L. O. Moon, Karl Broker and D. B. Connolly.

John Ernest of Oklahoma, general agent Central States Life, has returned to the firing line again and sent in five applications in a week. It was the first business he produced since he suffered a slight paralytic stroke some weeks

ago. When he was taken ill he had a record of 316 weeks of consecutive membership in the company's Weekly Producers Club.

Carl L. Odell, vice-president and general manager Hercules Life, who also manages the Allstate Insurance and Allstate Fire of Chicago, which likewise are subsidiaries of Sears, Roebuck & Co., is on vacation at a ranch near Dayton, Wyo.

F. S. Peck, head of the Bridgeport, Conn., agency of the New England Mutual Life, died in Madison, Conn., where he was spending a vacation.

H. L. Babcock, president Citizens Limited Life of Lincoln, Neb., has filed as a Republican candidate for state auditor. J. L. Kizer, acting director of insurance for a number of months in 1913, has filed as Republican candidate for state railway commissioner.

W. T. Adams, special agent General American Life, lost his left foot in a July 4 accident at Little Rock, Ark. He went to his office for his shotgun and fishing rod before leaving on a holiday outing. As he descended in the elevator, the shotgun was discharged and the shot entered his left foot and ankle.

Eph M. Goldstein of San Antonio, southwest Texas general agent for the Pacific Mutual Life, died at the age of 63. He had been connected with the company 27 years and at one time served as president of the Southwest Texas Life Underwriters Association.

On his arrival in New York to attend the 75th anniversary celebration of the Equitable Life of New York, Kellogg Van Winkle, Los Angeles manager, will meet Mrs. Van Winkle and their three daughters, who are expected to arrive July 24 from Europe. The daughters have been studying abroad for some time and Mrs. Van Winkle has been spending several months in a trip around the world. She has her automobile with her and the party will motor to Los Angeles from New York, stopping en route in Chicago to visit the exposition.

Paul M. Burdette, executive secretary of the Cincinnati Life Underwriters Association, who resigned to go with the Western & Southern Life, will be connected with the agency department.

H. W. Stanley, general agent of the Equitable of Iowa at Wichita, Kan., for the past 28 years, was presented a wrist watch by the Wichita Rotary Club last week in recognition of his 23 years of service to the club and general civic activity in Wichita. In addition to founding the Wichita club and serving as its first president Mr. Stanley has served as a regional vice-president of Rotary and has made several trips to international meetings in foreign countries.

Fred Richards, 62, for 18 years a personal producer with the Cherry & Cherry general agency of the Bankers Life of Iowa at San Antonio, Tex., is dead. He joined the agency in 1916, becoming one of its leading producers, and at the time of his death had several million dollars of business in force.

B. V. Hubbard, 79, veteran insurance man of Chicago, died Saturday night at King Old Men's Home in that city, where he had resided for the last ten years. Mr. Hubbard was a charter member of the Chicago Life Underwriters Association and was elected an honorary member. He was one of the old-time life insurance men of the city. He was born in Monrovia, Ind., and admitted to the bar of Indiana in 1878.

practicing in Indianapolis for a number of years. In 1925 he established the B. V. Hubbard fund for high schools in Morgan county, Ind., to promote the study of art and political science. He was the author of a number of books and pamphlets, among them being "The Mutual Principle in Insurance," "Casualty Insurance Exchanges," "Plain Politics for Parents" and "Making America Safe for Democracy."

Mr. Hubbard was in charge of the Illinois insurance department when it was part of the state auditor's office in 1893. He served as managing editor of the "New World" of Chicago from 1901 to 1904.

Fred S. Ross, recently appointed northern California manager of the Sun Life, with headquarters in San Francisco, was guest of honor at an introductory luncheon attended by agents

there. G. T. Bryson, assistant superintendent of agencies of the company in charge of the western territory, introduced Mr. Ross. Other guests of honor were Ernest W. Owen, Detroit manager; H. S. Standish, Los Angeles manager, and P. M. Jost, who is retiring as northern California manager.

Morris E. Selenkow, 67, who wrote the first \$1,000,000 life policy in Baltimore, died at his home there. He had been with the Baltimore branch of the New York Life 35 years.

C. D. Mill, 73, of Mill, Gentry & Mill, general agents for the New England Mutual Life in Kansas City for a number of years, underwent an operation for amputation of his right leg. A stoppage occurred in a blood vessel, necessitating the operation. He is reported improving satisfactorily.

NEWS OF THE COMPANIES

Holzman Explains Situation

Tells About the Operations of the Prudence Mutual Benefit and Prudence Fraternal

Alfred Holzman, one of the officials of the Prudence Mutual Benefit and Prudence Fraternal of Jersey City, N. J., explains these two organizations. It seems that Mr. Holzman and two other officers, Benjamin Robert and Robert Ellison, were indicted charged with "publishing misleading advertisements" and failing to register a certificate of trade name in Hudson county, N. J. Attorney Brenner representing the organizations states that the three men constitute a duly licensed corporation of New Jersey and do not need to register a certificate of trade name. He further asserts that the books are open at any time to prove that all claims for benefits have been paid promptly.

Mr. Holzman is a former Chicago life man. He said that the Prudence Fraternal was organized for the purpose of furnishing supplemental features and giving additional benefits to members of the Prudence Mutual. He says that the Prudence Fraternal holds property in Lake Geneva on which a children's home will be built. This property has been owned by Mr. Holzman personally for a number of years and is free of incumbrance. It has been deeded to the Prudence Fraternal as a gift from him. It seems that the local prosecutor asserted that no such property was owned. Mr. Holzman states that he is building a worth while mutual benefit association and enrolling about 1,000 members a month. He asserts that he is using modern methods in getting business by mail. The monthly collection of \$1 a month, he said, is more than sufficient to meet claims after a thorough investigation and study of the actual mortality from recorded deaths in all states.

Holds Texas Law Applies to Foreign Corporations

The Texas court of civil appeals, third district, has held that the Texas insurance commissioners did not abuse their discretion in denying a license to the National Aid Life of Illinois. That concern sought a writ to compel the commissioners to issue such a license. The commissioners refused on the ground that the title of the National Aid Life was so similar to that of the National Aid Life Association, already operating in Texas, as to be likely to mislead the public. Article 4700, the court pointed out, vests in the commissioners the power to refuse a permit where the name of the subsequent domestic corporation is "so similar to that of any other insurance company as to be likely to mislead the public." Although article 4700 specifically related to the incorpo-

ration of domestic concerns, the Texas court of civil appeals held in Fire Protection of America vs. State that article 5068 made the provisions of title 78, which included article 4700, applicable to a foreign corporation doing business in Texas. The statute prescribed the uniform rule applicable to all corporations of the class named and is not unconstitutional.

Yeomen Mutual Life's New Selling Device Interesting

A new departure in life insurance selling known as the "Sale-Sample" is being inaugurated this month by the Yeomen Mutual Life of Des Moines. It involves a model of a standard policy in a leather binder, with pertinent marginal quotations in red, in a wide margin at the right-hand side of each page. These marginal quotations condense into 150 words the 5,000 words of the average policy, so that the prospect can see at a glance all the provisions set up for his protection.

Tests made by members of the Yeomen Mutual Life staff prior to the general introduction of the sale-sample, contradicted the old theory that prospects were not interested in the many details of a policy. The tests showed that when the details were presented concisely and interestingly, they formed a very potent sales weapon.

President A. H. Hoffman announces a 35 percent increase in production during May as compared with April, and a 16 percent increase in business for the first five months of 1934.


Deming Heads Consolidation

The Unity Life & Accident of Syracuse, N. Y., has been merged with the Bavarian National Association of Buffalo, E. R. Deming, president of the Unity, heading the consolidation as president. P. A. Hoernig, president of the Bavarian Association and C. H. North, secretary, retired. The combined companies will operate in seven eastern states and begin business with consolidated assets \$722,851.

General Life's Situation

The Illinois department has withdrawn its request to the attorney general to institute proceedings under the provisions of the liquidation act against the General Life of Chicago, an assessment company. The department states that this has been done in view of the fact that the report of a later examination as of March 22 showed that its condition met the statutory requirements at that time. A contribution was made to its surplus amounting to \$5,000 subsequent to the date of the report of the examination as of Nov. 30.

Attorney E. R. Elliott of Chicago recently became vice-president and general counsel of the General Life. Some



**Men
of Action**

We have not forgotten our Veterans—the men who have been responsible for building our company during the past 38 years. Veterans and newcomers—Men of Action all—joined hands to make June one of the biggest months in our history, in honor of our Old-Timers.

**CENTRAL LIFE
Assurance Society**
(MUTUAL)
DES MOINES

Hot Weather Selling

"Ice Breakers" are even more important in summer selling than in winter. Fidelity has tried and proven tools which increase its agents' opportunities to gain a hearing and pave the way for more resultful interviews.

Eye Appeal Effective

These "ice breakers" bridge the critical first few minutes of the interview, capture attention, arouse interest and launch the agent into his selling theme. Backed by a complete kit of modern policy forms Fidelity agents find these "ice breakers" particularly useful in hot weather selling where interest must be captured quickly.

Send for booklet, "The Company Back of the Contract"

**The FIDELITY MUTUAL LIFE
INSURANCE COMPANY**
PHILADELPHIA
WALTER LEMAR TALBOT, President

weeks ago he brought an action against Insurance Director Palmer of Illinois and Mr. Palmer's bondsman, the Fidelity & Deposit, because the insurance department declined to issue a license to the projected Illinois Mutual Life, an assessment concern. Last week the court threw out that suit. Apparently Elliott is seeking to reinsure the business of the defunct Chicago National Life in either the General Life or the Illinois Mutual Life. The Chicago National was reinsured in the Pacific States Life with 100 percent lien, but the Pacific States is now practically out of commission.

Rose, et al., Must Stand Trial

Federal Judge McCormick at Los Angeles has overruled the demurrer to the indictment accusing Abe L. Rose and eight co-defendants of conspiracy to use the mails in a scheme to defraud policyholders in the National Security Life Association of Beverly Hills and ordered the case set for trial Oct. 30.

Rose was formerly known as A. L. Rosenthal when he was president of the Sterling Casualty of Chicago.

A. T. Lehman With Union Mutual

A. T. Lehman has resigned as actuary and director of the Detroit Life to become controller and associate actuary of the Union Mutual Life at Portland, Me. He pursued the actuarial course at the University of Michigan and served for a while as actuary of the Standard Life of Pittsburgh, going to the Detroit Life in 1929. In November last year he was appointed actuarial member of the city pension com-

mission there by the mayor of Detroit. A farewell luncheon for Mr. Lehman was given by the officers and department heads of the Detroit Life. Lester Arwin, assistant to the president, was toastmaster, introducing President John A. Reynolds, who presented a desk clock to Mr. Lehman with the best wishes of the Detroit Life staff.

Asks for Kentucky Receiver

Suit for ancillary receiver in Kentucky for the Independent Life of America was filed at Paducah, Ky., by Commissioner Tobin of Tennessee, who is receiver. The petition asked that the company and its officers be restrained from interfering with Commissioner Tobin's possession of any property of the company located in Kentucky. It is alleged that state examiners found a \$110,201 surplus once shown on the books has been wiped out. Impairment alleged by the original receivership action in Tennessee was \$86,779 which was largely due, it was claimed, to loans advanced to relatives and friends of the officers.

The Independent Life, located at Nashville, Tenn., recently was forced into receivership by its policyholders who charged errors of judgment by the officials and claimed that liabilities of \$1,649,695 could not be met.

Arthur England's Change

A. W. England has resigned from the actuarial department of West Coast Life to become actuarial assistant in the San Francisco office of Coates & Herfurth, consulting actuaries. Mr. England graduated from the University of

British Columbia with honors in mathematics, and has been with the West Coast Life since 1929. He has passed the initial sections of the examinations for the American Institute of Actuaries and the Actuarial Society of America.

Special Drive for Moriarty

While John J. Moriarty, vice-president in charge of the agency organization of the General American Life, is taking his vacation agents of the company have launched a special campaign in his honor, to continue throughout July. "Do It for John" is the slogan of the campaign.

Continental Life Claims

Since May 25, when the company was taken over by Superintendent O'Malley of Missouri, the Continental Life of St. Louis has paid a total of \$347,053 in death claims. These included all valid

death claims on life and accident insurance policies. The life claims amounted to \$315,697.

New St. Louis Offices

The new St. Louis offices of the Liberty National Life of Poplar Bluff, Mo., have been opened at 520 Franklin American building with James A. McVoy of St. Louis, recently elected president, in charge.

Company Notes

The **Hercules Life** of Chicago has been licensed in Alabama.

The **All-States Life** of Montgomery, Ala., has been licensed in Ohio. E. C. Hart of Cincinnati is the agent.

The **Atlas Mutual Life** of South Bend, Ind., has been licensed by the Indiana department to transact business on the assessment plan.

The **Illinois Bankers Life** has been admitted to Indiana. It is now licensed in 14 states and the District of Columbia.

LIFE COMPANY CONVENTIONS

Meeting of Stoessel Agency

Connecticut Mutual Men in Western Massachusetts and Vermont Show Fine Record

The annual two-day summer meeting of the western Massachusetts and Vermont sales staff of the Connecticut Mutual Life was held at Malletts Bay, Vt. The regular sessions were followed with a banquet in honor of W. J. Stoessel's tenth anniversary as head of the agency.

K. H. Mathus, editor of publications, who was the leader at the round table discussion, represented the home office officials at the banquet. He congratulated the agency on its 46 percent increase in paid-for business for the first half of 1934 over the same period last year and its ranking second among all the agencies in paid business for May. Mr. Mathus stated that the Springfield, Mass., agency is distinguished not for its large number of agents but for the outstanding achievements of its 15 full-time associates.

Leaders Are Announced

The leader of all Connecticut Mutual agents in paid premiums for the year to date is H. C. Shaw of Springfield. Because of his record Mr. Shaw is president of the "Half Million Dollar Corps." The leader in paid premiums among all first-year men is Fred C. Stevens of Holyoke, Mass. K. S. Austin of Burlington, Vt., who was awarded the P. M. Fraser cup in leading all second-year men in paid premiums and number of lives during the past club year, ranks fifth in the company for the year to date in number of lives insured. W. C. Shouldice of Rutland, Vt., two-time winner of the president's cup, has just completed seven years of consecutive weekly production averaging two applications per week during the seven-year period.

Mr. Mathus commented on the agency's favorable lapse record. On all the business written in 1932 and 1933 only 3 percent lapsed in the first four months of this year. Four members of the Springfield agency have recently served as presidents of their local life underwriters associations.

Plan Special Group Meets at Northwestern Convention

MILWAUKEE, July 12.—At the Northwestern Mutual Life's annual meeting of the Association of Agents here July 23-25, the various inter-associations will also hold meetings. The luncheon and business meeting of the Special & Soliciting Agents Association will be held Monday. The General Agents Association will hold a luncheon conference and business meeting

Wednesday. At the same time the District Agents Association will hold its annual meeting. H. R. Hitt of Chillicothe, Ohio, will preside and the general theme of discussions will be "Our Results to Date with the Rural Campaign." Among the speakers will be William Cramer, Paris, Ill.; J. L. Presler, Van Wert, Ohio; R. D. Buss, Centerville, Iowa, and Fred Repass, Waterloo, Iowa.

The Agency Supervisors Association also will meet Wednesday for a luncheon and round table discussion. Subjects will include recruiting, training, joint work and meetings. Three group sessions will be held during the afternoon by full-time city supervisors doing no personal work, with W. B. Collett, Detroit, as chairman; supervisors in mixed agencies doing part-time personal work and primarily concerned with city problems, Bert Boyd, Kansas City, Mo., chairman, and supervisors of mixed or rural agencies doing part-time personal work and primarily concerned with rural problems, Milo Flickinger, Springfield, Ill., will be chairman of the latter group meeting. Following the group meetings the supervisors will reassemble in a general session at which S. G. Dickinson, editor of "Handbook for Life Insurance Selling," and H. N. Lafin, assistant counsel of Northwestern Mutual, will be the principal speakers.

The Chartered Life Underwriters Association of Northwestern Mutual will also hold a luncheon meeting Wednesday. E. T. Lothgren, Providence, R. I., is president of this group.

Franklin Life Convention

The Franklin Life will hold its golden anniversary convention at the head office in Springfield, July 23-25. Frank M. See, St. Louis general agent of the New England Mutual, is on the program for two sessions. Joe S. Maryman of the Aetna Life of Little Rock is scheduled for a talk. There will be a trip to Old Salem National Park and other entertainment features.

Minnesota Mutual Meeting

Leading producers of the Minnesota Mutual Life will gather in Glacier National Park July 23-26. It is expected that altogether 150 officers, agents and their wives will attend.

Guardian Life's Convention

The Leaders Club convention of the field forces of the Guardian Life will be held at Hot Springs, Va., July 17-19. Close to 250 leaders and their guests are expected to attend this get-together and a representative delegation of officials, headed by President Heye, Vice-president J. A. McLain, and Superintendent of Agencies F. F. Weidenborner, Jr., will be present.

The club year ending June 30 proved highly successful, with paid-for gains in



WHEN YOU NEED it most, life insurance will be ready to serve you: as a credit index, as an emergency reserve fund, as a retirement fund. When your family needs it most, life insurance swings into action for it alone, of all investments, is governed by events and not by time.

THE MUTUAL BENEFIT
LIFE INSURANCE COMPANY
300 BROADWAY, NEWARK, NEW JERSEY

11 of the 12 months netting an increase of 26 percent for the full year. A 72 percent gain in paid production in June marked the eighth successive monthly gain and the biggest month's paid production since December, 1931, by 25 percent. For the first half of 1934 paid production is 46 percent ahead of last year's.

Equitable of Iowa Gathering

The Equitable Life of Iowa is holding its annual production clubs convention at White Sulphur Springs, W. Va., July 10-13. More than 200 agents are reported to be in attendance. Particular emphasis in the program is being laid on practical means leading toward increased production.

Among the home office people in attendance are Vice-president H. E. Aldrich, Superintendent of Agents S. A. Swisher, Vice-president and Actuary R. G. Hunter, and President H. S. Nollen.

Midwest Life Kansas Meeting

W. W. Putney, president, and Vernon L. Thompson, sales manager of the Midwest Life of Lincoln, Neb., attended the annual agency meeting of Kansas agents in Wichita under the direction of H. J. Bamford, Kansas manager. Mr. Putney said the Kansas agency had showed a greater upturn in business than any other state and had exceeded its quota of \$750,000 of new business for the first half of the year. More than 50 agents were in attendance.

Many Qualify for Convention

KANSAS CITY, July 12.—Out of 500 salesmen, 180 (including 69 wives of men who qualified for the attendance of both) qualified for the silver

anniversary convention of the Business Men's Assurance, to be held here Aug. 27-29. The qualification period ended July 1.

American Citizens' Sales Rally

The American Citizens Life held a sales conference in Columbus, O., with directors of the company and about 40 agents from all sections of the state in attendance. A. P. Sandles, president, presided. W. H. Fledderjohann, vice-president and superintendent of agents, reported insurance in force \$1,133,183. June was the company's best month since 1929.

Keplar Columbus Mutual Speaker

The Columbus Mutual Life will hold its annual agency convention in Columbus Aug. 13-14. J. M. Keplar, Bankers Life of Iowa, Elkhart, Ind., will be a speaker. About a dozen states will be represented.

Farmers & Bankers Iowa Meeting

Iowa general agents of the Farmers & Bankers Life of Wichita, Kan., meeting in Cedar Rapids, were addressed by Secretary F. B. Jacobshagen and H. W. Milner, Lincoln, Neb., home office supervisor in charge of the northern division.

Central of Iowa Convention

The Central Life of Iowa announces that its agency convention next year will be held at the Yellowstone National Park. The club year ends June 30, 1935.

The Western & Southern Life will hold state conventions in Cleveland, Pittsburgh, Chicago and St. Louis, beginning at Cleveland July 13-14.

LIFE AGENCY CHANGES

Is Associate General Agent

Lee D. Hemingway's New Affiliation With Connecticut Mutual Permits More Personal Service Work

Lee D. Hemingway, who recently retired as general agent for the Connecticut Mutual in Pittsburgh, will continue



LEE D. HEMINGWAY

with the company as associate general agent. He will maintain offices in the Union National Bank building, Pittsburgh, and will devote his time largely to estate analysis work. Although engaged in general agency work for the past 24 years he has always been a fine personal producer, and in each of the past three years has had better than \$1,000,000 production.

Mr. Hemingway has been in life in-

surance and with the Connecticut Mutual since his graduation from Washington & Jefferson College, of which institution he is now a trustee. In 1910 he succeeded his father as Pittsburgh general agent.

He is known by many life men by reason of his participation in the activities of the National Association of Life Underwriters, of which body he served as secretary several years ago and as committeeman on various occasions. He is at present president of the Pennsylvania State Association of Life Underwriters.

The Pittsburgh agency of the Connecticut Mutual is now headed by R. N. Waddell, with offices in the Koppers building.

Orr to Succeed Darby as Philadelphia Agency Head

J. Mortimer Darby announced at a meeting of the Philadelphia Agency Association of the Massachusetts Mutual Life that he will retire as general agent of that company in Philadelphia Aug. 31. He will be succeeded by Millard R. Orr, who has been with the Massachusetts Mutual in Philadelphia since 1920. Mr. Darby has been general agent in Philadelphia since 1918. He has not been in good health lately and last winter spent much time at the place he purchased at Sea Isle, Ga.

Darby of Long Experience

Mr. Darby was born in North Adams, Mass., and entered the life insurance business with the Columbian National Life, serving as field supervisor at the home office and later moving to Philadelphia where he had supervision over much of the eastern territory. He then joined the home office staff of the Fidelity Mutual Life as supervisor and continued until 1915, when he became Philadelphia manager for the Phoenix Mutual Life. Three years later he



"I Like Being A Scranton Life Man"

SCRANTON Life men in the field are always conscious of the intimate, personal element in their relations with the home office. This comes from the keen understanding which the management has of agency problems—it comes too, from a knowledge of efforts justly recognized and appraised.

*Excellent Agency Opportunities
Open for Alert Enterprising Agents*

FOR INFORMATION ADDRESS

THE SCRANTON LIFE

SCRANTON, PENNSYLVANIA

WALTER P. STEVENS, President

Box 187



Family Income Until Children Grow Up Then Life Income for Wife

The Connecticut General Family Income Trust Agreement provides monthly income until children are of self-supporting age and thereafter a life income for their mother.

A small extra premium provides substantial additional protection during period of greatest need and maintains principal sum to provide permanent income although full withdrawal privilege is included.

**Connecticut General
Life Insurance Company**
Hartford, Conn.



"So many men change their minds when the time, which they have set years before, arrives for them to retire."

"Yes, I know, but we have a practical set-up for them in our Adjustable Retirement Income Plan."

The Continental American meets the retirement income problem with an adjustable policy that provides either Income, Cash or Protection, permitting the policyholder to choose what he wants when he wants it.

Progressiveness of Contracts has always been characteristic of this Company.

**CONTINENTAL
AMERICAN**
Life Insurance Co.

Wilmington-Delaware

For Agency Matters Address
GEORGE A. MARTIN, Vice-President

joined the Massachusetts Mutual and has made an outstanding record.

Mr. Orr has served for some time as supervisor in the Darby agency. He is president of the Philadelphia Association of Life Underwriters. A brother, C. H. Orr, heads an agency of the Pacific Mutual Life in Philadelphia.

Clark Named at Pittsburgh

Assistant Agency Director of Northwestern Mutual Is Successor to R. S. Goldsbury

Appointment of Roger Clark, for the last seven years assistant director of agencies Northwestern Mutual Life, as



ROGER CLARK

general agent for the company at Pittsburgh, is announced by Grant L. Hill, director of agencies. Mr. Clark will succeed R. S. Goldsbury, who as previously announced is to retire Oct. 1 on completion of 25 years of service as general agent for the company in Pittsburgh, to devote his time to personal production.

Has Had Wide Experience

Mr. Clark has had wide experience in life insurance selling and agency management, both in field and home office. Following his graduation from Dartmouth College he entered life insurance in 1920 as agent under his father, the late H. A. Clark, at Princeton, Ill. The agency was one of the Northwestern Mutual's most highly developed agencies on a territorial basis. Later Mr. Clark assisted his father in managerial activity.

In February, 1927, following his father's death, Mr. Clark joined the home office agency staff, and in July,

1927, was appointed assistant director of agencies.

Central of Iowa Appointments

The Central Life of Des Moines has appointed C. A. Hearn general agent at Dallas with an office at 1410 Dallas Bank & Trust Co. Bldg. He is a native of Texas, reared and educated at Waco. He took special training in different schools. He was formerly in the Central States Bank and then in the American Exchange Bank at Dallas. His average during 13 years is over \$250,000 volume in life insurance annually.

Fred H. Beach has been appointed general agent of the Central Life at Vincennes, Ind. He is a native of that city. In 1926 he opened an insurance agency doing a general line of business.

Bisbing Allentown Manager

The Fidelity Mutual Life has appointed Russell E. Bisbing manager at Allentown, Pa. He has been with the Pacific Mutual as agency supervisor and before that was with the Metropolitan Life. He has been in life insurance nearly 15 years.

Fred Lieberich, Jr.

Fred Lieberich, Jr., formerly New Jersey manager for the Jefferson Standard Life, has joined the Thomas Searles agency of the State Mutual Life in Newark. He has been in life insurance work for a number of years and before joining the Jefferson Standard Life was for a number of years with the William A. White agency of the John Hancock in Newark. He is a former president of the Life Underwriters Association of Northern New Jersey.

Jason E. Stone, Jr.

The State Mutual Life announces the appointment of J. E. Stone, Jr., as supervisor of the Joe C. Caperton general agency in Chicago. Mr. Stone, formerly supervisor of the Pittsburgh office under General Agent F. C. Wigginton, affiliated himself with the State Mutual Life in 1927, on graduation from the University of Pittsburgh.

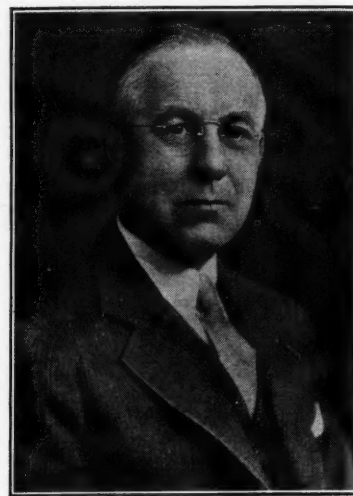
H. M. Gillette

M. E. O'Brien, Michigan supervisor of the American Life, has appointed H. M. Gillette of Laurium, Mich., supervisor for the upper peninsula. Mr. Gillette served as general agent for the Detroit Life for some years while Mr. O'Brien headed that company and developed a \$2,000,000 agency. More recently he has been agency manager for the Michigan Life in Laurium.

R. E. White

R. E. White, San Antonio, Tex., general agent of the Continental Life of St. Louis, has resigned to become a personal producer with the Cherry & Cherry agency of the Bankers Life of

New General Agent Named at Kansas City by Yeomen



T. D. VAN OSDELL

T. D. Van Osdel, widely-known general agent and manager of Kansas City, has been appointed general agent for the Yeomen Mutual Life in Kansas City territory. He has had 20 years' life insurance experience, for eight years with the Travelers, a part of the time as field superintendent. Of recent years he has been general agent for the Franklin Life, and subsequently the Continental Life. Under his direction an expansion program is being planned in the southwest. A number of agents will be added. The office has jurisdiction over parts of Missouri and Kansas.

Iowa. He was with that agency before becoming general agent of the Continental.

Lewis I. Held

Lewis I. Held, who has been for some time with the Recht & Kutcher general agency of the Northwestern Mutual Life in New York City, has become field supervisor for Virginia and Tennessee under W. T. Nolley, general agent in Richmond. He is a son of I. I. Held, one of the premier producers of the Nolley agency.

A. D. Holaday

A. D. Holaday of Portland, Ore., with the Mutual Life of New York in various capacities for some years, has been appointed agency organizer of the Seattle agency.

George J. Mangis

The Atlantic Life has appointed George J. Mangis district agent in Pittsburgh, with offices in the Gulf building. This is new territory being opened by the company. His territory will include Pittsburgh and surrounding counties.

Life Agency Notes

John Crosby, Milwaukee, has been appointed agency supervisor of the Wisconsin general agency at the Security Mutual Life of New York in Milwaukee. He has been with the Massachusetts Mutual Life in Milwaukee.

Mrs. Roxie Moore, formerly one of the outstanding Texas producers of the Business Men's Assurance, has been appointed district manager of the Acme Life of Austin at Abilene, Tex.

V. W. Ferguson, Jr., has been appointed district agent of the Northwestern Mutual Life at Lexington, Ky., succeeding H. S. Chase, Jr., who was promoted to district agent at Knoxville, Tenn. Mr. Ferguson has been special agent in Louisville for several years.

THE HOME LIFE INSURANCE COMPANY OF AMERICA

PROTECTS THE ENTIRE FAMILY

Home Life agents are equipped to serve every need for life insurance. Modern policies are issued, on both Industrial and Ordinary plans, from birth to 65 next birthday.

A POLICY FOR EVERY PURSE AND PURPOSE

Basil S. Walsh
PRESIDENT

Joseph L. Durkin
SECRETARY

John J. Gallagher
TREASURER

Independence Square

Philadelphia, Penna.

MANAGERS' ASSOCIATION NEWS

Presents Tests for Agents

Dr. Verne Steward Tells Los Angeles Managers of Results of Three Years' Study and Research

LOS ANGELES, July 12.—At a special meeting of the Life Insurance Managers' Association of Los Angeles, Dr. Verne Steward, life insurance instructor and lecturer presented findings, conclusions and recommendations based on three years of study and research in the use and value of special methods, including psychological tests, in the selection of life salesmen.

The point system he has developed is based on 11 divisions of tests and personal data. It is used first in selection of new agents, preventing the appointment and licensing of all who do not possess the characteristics found in successful life agents and thus cutting in half the agency turnover. Second, it divides border-line agents now in the business into two groups—those who are practically certain to fail, and those who seem to have the ability, traits and natural aptitudes for success in life insurance. A manager can thus spend his time and energy on men in his agency

who have a chance to succeed. Third, it appears to be of value in encouraging those who have not yet succeeded in earning a satisfactory income from the sale of life insurance but who should remain in the business, as it indicates definitely the possession or the lack of the qualifications and characteristics essential to success in that field.

The research project included the testing of members of the field forces of 20 Los Angeles agencies, the final data being based on 309 individual tests.

Dr. Steward's book, "The Use and Value of Special Tests in the Selection of Life Underwriters," will be off the press about July 15. He plans to visit several of the larger cities in the east to present the results of his research.

Owen San Francisco Speaker

E. W. Owen, secretary National Association of Life Underwriters and manager of the Sun Life in Detroit, addressed the general agents and managers section of the San Francisco Life Underwriters Association July 10. The proposed code of ethics for general agents and managers was adopted.

W. J. Arnette, manager Fidelity Mutual Life, presided.

NEWS OF LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest," published annually in May at \$5.00 and the "Little Gem" published annually in March at \$2.00

Special Ordinary Life Rates

Exhibit Shows Features of New Policy Issued by the Bankers Life of Iowa

Rates and dividend results on the special ordinary life policy, on a 3 percent basis, which is being substituted by the Bankers Life of Iowa for its special ordinary life policy on a 3½ percent basis, are now available. These policies are not issued for less than \$5,000. The first dividend payable is at the end of the second policy year and is not contingent on payment of premium for the third year. The dividend illustrations are neither estimates nor guarantees, but are based on the 1934 dividend schedule and interest rates of the company. Below are shown some of the features of the policy at representative ages:

Age	Reg. Prem.	2d Yr. Div.	20th Yr. Div.	Accum. Div. for 20 Yrs. Under Option No. 3	Guaranteed Cash Value 20th Yr.
10....	157.70	34.70	68.70	1,436.80	1,335.10
15....	172.30	37.10	72.50	1,522.60	1,600.30
20....	190.20	39.70	77.70	1,606.80	1,920.40
25....	212.70	41.70	84.70	1,731.40	2,305.00
30....	241.30	43.90	94.30	1,892.50	2,760.20
35....	278.30	47.20	105.90	2,093.70	3,275.80
40....	326.70	50.80	119.50	2,345.60	3,834.70
45....	391.60	50.20	135.40	2,743.40	4,413.50
50....	480.00	68.10	156.50	3,175.20	4,980.40
55....	601.10	76.70	181.60	3,620.80	5,511.90
60....	769.20	84.20	223.80	4,230.40	6,071.20
65....	928.50	47.40	219.20	3,427.40	6,730.30

Berkshire Life

The Berkshire Life will introduce a new salary savings booklet which has in it a very unique plan. It provides not only for the saving of the premium through salary deduction but in event of maturity to set up under the plan of continuing the employee's salary for one, two or three year periods. This is perhaps the first time that a salary savings proposal has been set up on this basis. The theory of setting it on the salary continuation plan is that it helps the employer who is fared with the necessity of either contributing to the employee's family, in event of the employee's

death, or employing some member of the family whose services are not needed in order that the family may have an income until they can readjust their affairs to the new situation.

Anniversary Special Withdrawn

The silver anniversary special policy of the Business Men's Assurance, which provides accident and health benefits and life insurance benefits on the monthly income plan plus a \$500 emergency sight draft feature, will be withdrawn at the end of August. The policy, introduced in February, was originated especially for the silver anniversary campaign—to stimulate business and to create interest in the silver anniversary convention.

AGENCY NEWS

Mutual Benefit Officials Attend Grand Rapids Meet

The mid-year meeting of the Grand Rapids general agency of the Mutual Benefit Life was held. Home office officials present were Oliver Thurman, vice-president and superintendent of agencies, and J. S. Thompson, vice-president and mathematician. Other out-of-the-city guests were Foree Dennis, general agent Louisville; Frank Hughes, general agent Milwaukee; A. S. Ingersoll, associate general agent Chicago; Frank Gross, secretary of the Chicago agency. The Grand Rapids meeting was preceded by a class on the use of supplemental agreements and their advantages, attended by some 25 of the newer men. During the first six months the agency placed approximately \$2,000,000 of business under supplemental agreements with the company. The goal for the year is \$4,000,000.

The agency in the first six months this year showed marked improvement over the same period a year ago. Fewer lapses were experienced and fewer cash loans made. In some months cash loans were far less than replacements to the company.

Loomis in Indianapolis

President James Lee Loomis of the Connecticut Mutual Life attended the tenth anniversary celebration of the George K. Jones general agency of Indianapolis, and talked on the company's investment policy. Mr. Jones became general agent in Indianapolis July 1,

When Summer Prospects Tire.....

"Life is but a game," the Pacific Mutual underwriter reminds them, "a game of thrills and hazards. . . . There's one move, though, THE RIGHT MOVE*, that protects you against ALL the hazards—Sickness, Accident, Loss of Limbs or Sight, Old Age, Premature Death . . ."

Pacific Mutual "5-way" Insurance—unique, all-inclusive personal protection, one policy unit, one premium, one company—life insurance that pays disability benefits from and including the first day.

So attractive to the prospect, so easy to sell, so profitable to the underwriter!

*A copy of this booklet is yours on request.

Founded 1868
Pacific Mutual Life
Insurance Company OF CALIFORNIA

GEORGE I. COCHRAN, PRESIDENT

Home Office
Los Angeles, California

Assets
Over \$198,000,000

AMERICAN CENTRAL LIFE INSURANCE COMPANY

ESTABLISHED 1899

INDIANAPOLIS, INDIANA

● Agency contracts particularly designed to give maximum compensation for quality business and so drawn that renewal results in a steadily pyramiding income for the man or woman who is looking for a permanent connection.

Every Day

We are signing new contracts with agents who have taken the time to investigate our Company and its record and are attracted by the unusually favorable condition they discover.

Our proposition is different and interesting and has operated with ever increasing success for 27 years.

Agency openings in
Illinois, Indiana,
Michigan and Missouri

BANKERS MUTUAL LIFE CO.

FREEPORT, ILLINOIS

Founded in 1907

EXCERPTS from

the report of the Actuary on 1933 operation of the

AID ASSOCIATION FOR LUTHERANS

"It is particularly gratifying to note that the Association was able to register such a splendid net gain in the amount of insurance in force at the end of 1933. Few societies or life insurance companies can point to a more favorable record in this respect, and I congratulate the Management upon this splendid accomplishment.

"In conclusion, I extend sincere congratulations to the Management, and to the membership in general, upon the satisfactory actuarial condition of the Association as disclosed by this report. I have no hesitancy in certifying to the fact that the Association is in a position to fulfill all of its contracts."

\$1.09 of Assets for every \$1.00 of Liabilities

AID ASSOCIATION FOR LUTHERANS

Legal Reserve Fraternal Life Insurance

APPLETON, WIS.

Aggressive and Progressive

Our record speaks for itself.

Splendid territory still available.

LUTHERAN BROTHERHOOD

Herman L. Ekern, Pres.

608 Second Ave. S.

Minneapolis, Minn.

1924. Recently Claude C. Jones was taken into partnership and the firm is now known as the Jones Agency.

Roy P. Shapro Resigns

Roy P. Shapro has resigned as unit manager in Oakland for the Penn Mu-

tual agency of his well known brother, B. F. Shapro of San Francisco. R. P. Shapro has been with the agency since 1930. He is president of the East Bay Underwriters Association.

The General American Life has been licensed in Tennessee.

NEWS OF LIFE ASSOCIATIONS

E. W. Owen, Motschenbacher Are Portland, Ore., Speakers

PORTLAND, ORE., July 12.—Ernest W. Owen, Detroit manager Sun Life of Canada and secretary of the National Association of Life Underwriters, in an inspirational address to the Portland association with 125 in attendance, stressed some of the elements that go to making time useful—knowledge, imagination, vision, enthusiasm, work, will power, concentration, philosophy of life, opportunity, faith, cooperation, achievement and finally success.

V. T. Motschenbacher, also of the Sun Life, formerly of Portland and now of New Orleans, lauded the value of co-operation in selling life insurance. George Bryson told how the life companies successfully weathered all troubles in recent financial stresses, and also cited heavy increases in writings.

Tom West, Phoenix Mutual, president of the Portland association, presided and E. V. Cree, Portland manager Sun Life, introduced the speakers.

Indianapolis.—Dr. S. S. Huebner of the American College of Life Underwriters spoke Thursday at a meeting held under

the auspices of the Indianapolis C. L. U. chapter.

New Haven, Conn.—E. P. Allen has been elected president; F. J. Dunn, vice-president; C. T. Trollin, secretary, and J. H. Corbett, treasurer. Directors are H. V. Krick, Aurelio Guerrieri, H. L. Woods and Mr. Corbett.

Sheboygan, Wis.—A. A. Heald, Wisconsin general agent for Provident Mutual Life, spoke on "Canvassing Method Producing Results Today." He stressed the necessity of a larger clientele, along with the need for organization for conservation.

Charleston, W. Va.—C. Vivian Anderson, president National association, spoke on "Have You Made Your Will?"

Richmond, Ind.—C. Vivian Anderson, Cincinnati, president National association, spoke at the annual banquet and ladies' night on "Have You Made Your Will?"

San Francisco.—W. J. Lennox, president of the local C. L. U. chapter, has been selected to represent that group as vice-president of the San Francisco association, succeeding J. O. Klein, resigned.

NEWS OF THE FRATERALS

Loyal American Taken Over

Business of Chicago Fraternal Reinsured on Management Basis, With 100% Lien, by Ben Hur

The Loyal American Life Association of Chicago has been reinsured by the Ben Hur Life of Crawfordsville, Ind., on a management basis, the reserves on the Loyal American certificates being impressed with 100 percent lien, bearing interest at 4 percent. The transaction has been approved by both the Indiana and Illinois departments.

The Loyal American, at its meeting in May, voted to impress its reserves with a 100 percent lien, so that the status of the policies is not changed by the deal with the Ben Hur Life. Most of the assets of the Loyal American consisted of municipal bonds, which are depreciated on the present market, but offer long term possibilities. There is a five year moratorium on payment of cash surrender values and making cash loans. As an expense allowance the Ben Hur Life gets 10 per cent of assessments on Loyal American certificates and 15 cents per month on each Loyal American member. Death claims are to be paid in full, without deducting the lien. The initial lien is equivalent to the amount of the reserve required for the benefits on the basis of the American Experience Table with 4 percent interest. There will be an annual survey, which may result in adjustment of the lien.

Loyal American Figures

As of Dec. 31, 1933, the Loyal American reported paid by members \$214,989, total income \$241,498, paid to members \$131,978, total disbursements \$295,429, admitted assets \$783,099, losses and claims unpaid \$94,237, number of members 7,270, insurance in force \$6,757,200.

The Loyal American was founded in 1896. Legal reserves have been maintained on all certificates issued since

1912 and on all outstanding certificates since Jan. 1, 1922. The fraternal was licensed in Arkansas, California, Colorado, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Pennsylvania, Texas, Washington, West Virginia and Wisconsin.

The assets were divided: Real estate \$173,791, mortgage loans \$223,920, bonds \$308,050, cash \$14,992, certificate loans \$130,219. The certificate reserves, less liens, amounted to \$540,381. The mortality ratio was 87.66 percent.

E. J. Dunn has been national president of the Loyal American, H. D. Cowan, national secretary, J. A. Easley, national treasurer, Fred R. Sanborn, actuary.

The Ben Hur Life is one of the large, well established legal reserve fraternal, which had \$52,784,264 insurance in force as of Dec. 31, 1933. Assets amounted to \$9,722,089 and net surplus \$622,653.

This is the first reinsurance deal of any kind ever entered into by the Ben Hur.

New Era Is N. F. C. Keynote

Opportunities for Progress with Greater Public Favor, Theme of Atlantic City Convention

The keynote of the annual convention of the National Fraternal Congress to be held in Atlantic City, Aug. 20-23, will be the new era in fraternal progress. President Bradley C. Marks announced in Chicago on a stopover en route to the Canadian Fraternal Association meeting at Toronto. The new deal and its effect on fraternal progress will be presented by outstanding fraternal executives and there will be discussion on this subject. It is hoped to have administration leaders on the speaking program, due to the many important matters affecting the general welfare which are arising under the new deal.

The new era in business and social

life, Mr. Marks finds to be a sign of the turn towards normalcy. He believes that fraternal insurance has a fine opportunity to win its rightful place in public favor under conditions as they are today. N. F. C. societies have successfully met the test in the recent trying years, coming through the depression period in fine financial condition, and they are in position to capitalize on their favorable experience by taking full advantage of their new popularity. The Ambassador, Atlantic City, will be convention headquarters.

Fraternal Statistics Given

Some Important Figures Are Found in the New Publication of the Year

The "Fraternal Monitor" of Rochester, N. Y., has issued its 1934 edition of "Statistics Fraternal Societies" and the "Consolidated Chart of Insurance Organizations." The Consolidated Chart combines the report of 384 fraternal, life companies and assessment associations. The "Statistics Fraternal Societies" gives information regarding the fraternal. The aggregate membership of fraternal, according to this publication, is 7,716,121. This includes 405,558 social and 895,896 juvenile members. There is insurance outstanding \$7,012,809,913. The assets were on Dec. 31, \$1,057,960,151, reserves \$3984,883,505. The income of the societies last year was \$208,168,053 and disbursements \$171,054,408. There were 601,721 new policyholders last year carrying insurance \$501,686,844. Since organization the benefits paid by fraternal amount to \$4,630,256,929.

Fidelity Life Incorrectly Named in Pennsylvania

F. W. Hough, secretary of the Fidelity Life Association of Illinois, has protested to the Pennsylvania department its inclusion in a list of organizations soliciting business in Pennsylvania without being licensed there. Mr. Hough advised the Pennsylvania department that no one has been authorized by the Fidelity Life Association to solicit business in Pennsylvania and the association has never received applications from Pennsylvania residents. The association does have members residing in various parts of Pennsylvania, who hold membership in lodges in the states in which the association is licensed and the only correspondence the association has with these members is notification of premiums due and receipts. W. L. Nuschke, chief, division of companies, Pennsylvania department, replying to Mr. Hough stated: "You are advised that the department apparently received an inquiry from some member of your organization, living in Pennsylvania, who belongs to a lodge in a state in which you were licensed."

Nebraska Supreme Court in Ruling W. O. W. Not Liable

The Nebraska supreme court rescued the Woodmen of the World from a dilemma when it held that a form letter sent out to all delinquents in 1931 offering to carry assessments due as a loan or charge against policy returns if they would pay the current assessment, did not bind it to pay Anna Klanecy \$2,500 on a policy issued on the life of her husband.

The court said that as a waiver is intentional relinquishment of a known right and that there must be both knowledge of the right and the intent to relinquish, the offer did not operate as a waiver of forfeiture where the member was dead and the conditions could not be met.

It also held that there was no waiver because the society had mailed death loss blanks to the local camp, where it was shown that before they had been

filled out the beneficiary had been told the certificate was void and the sending of blanks was an error.

Actuaries' Influence Strong

Superintendent Foster of Ontario Notes Great Contributions of Mathematicians to Business

It is fortunate that so many Canadian life companies named their actuary as president or general manager, for this influence is shown in the conservative, scholarly viewpoint brought to the problems of investment and production, and in emphasis on higher educational facilities for the field force. R. Leighton Foster, insurance superintendent of Ontario, stated in his talk before the Canadian Fraternal Association in Toronto. He said he knew of no other business in which the scientist played so important a role. An inestimable debt is owed to mathematicians who developed life insurance in its early stages, and actuarial science continues to be the navigating officer and the chart room of life insurance.

Net premium income of all companies excluding fraternal in the province last year was \$86,684,591, a decrease of \$382,140 in the year, he reported, and \$2,390,484 less than in 1931. Mr. Foster scoffed at the statement of a financial paper of Canada that the widespread financial distress among life policyholders had resulted in wholesale lapsing of policies. In the last two years, he said, the Ontario companies slipped back less than 3 percent from the all-time high of \$89,000,000 odd, which he considered no good reason for discouragement. "If these results are characteristic of the worst stages of prolonged period of widespread financial depression," he said, "the life insurance business has certainly emerged with flying colors."

Levy of Assessment Is Not Waiver of Defense Right

The levy of an assessment by a fraternal society on its members to pay an amount paid by way of a compromise of a claim under its beneficial certificate, unaccompanied by any act recognizing the validity of the certificate, is not a waiver of a right to contest the claim under such a certificate, according to the Oklahoma supreme court in Oklahoma Aid Association vs. Pecinosky.

Pecinosky contended that when the Oklahoma Aid Association made an assessment upon its members, after the death of the insured, it waived any defense it had to her claim. The record shows that liability was denied, that a compromise was agreed upon and that the Aid association paid Pecinosky \$300 by way of a compromise and that the assessment was for the purpose of reimbursing the fund for the amount so paid as a compromise.

June Sales Set Record

The \$7,079,250 insurance written by the Lutheran Mutual Aid Society, Waverly, Ia., in June, Hegg testimonial month honoring President Hegg, was greater than in any previous month in its history. The society has between \$34,000,000 and \$35,000,000 in force and assets May 30 were \$4,608,000.

Debate Validity of Bonds

President De E. Bradshaw of the Woodmen of the World, Omaha, says that it holds \$115,000 of Henderson county, Tenn., bonds, duplicates of which to the extent of \$40,000 are in the hands of the Life & Casualty of Tennessee, collateral put up by Luke Lea. The Nashville company's president said that it had the opinion of a nationally known firm of bond attorneys that its holdings are genuine. Mr. Bradshaw says that the Woodmen bought its

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During the Last Year of the Depression.

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Illinois, Minnesota and Michigan.

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Benefit Certificates for Men, Women and Children.
Opportunities for Field workers in a growing organization. Training classes for new workers.

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TODAY, more than ever before, the insuring public is investigating the stability and security behind the organizations in which they are insured.

The A. O. U. W., a legal reserve insurance organization, is proud of its record of over 50 years of progress. Regardless of wars, epidemics and business depressions, every promise to its policyholders has been carried out in full, with a steady gain in assets and insurance in force.

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J. H. DUIS, Treasurer

bonds in 1921, and that four years later, when the county discovered that duplicate bonds were in existence, it refused further interest payments. In the fed-

eral court action brought at that time by the Woodmen a judgment that its holdings were valid was entered, and interest has been paid ever since then.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

OTT AGENCY SHOWS INCREASE

The A. V. Ott agency of the Equitable Life of New York in New York City reports a substantial increase in all departments over the corresponding period of last year. For June the increase in applications of 12 percent, in premiums of 142 percent, and volume of 112 percent is indicative of the progress the agency is making. For the entire six months there is a 47 percent increase in volume, 40 percent in premiums and 20 percent in cases.

* * *

ISAACS JOINS RECHT & KUTCHER

C. J. Isaacs, former unit manager of the Equitable Life of New York in New York City, has joined the Recht & Kutcher agency of the Northwestern Mutual Life in that city. While Mr. Isaacs is best known as a builder of

life insurance men, he has achieved outstanding success as a producer. As a field supervisor he will specialize in building his own unit. Since 1924 Mr. Isaacs has brought a great many men into the life insurance business. A number of these he developed into outstanding producers.

He was born in New York City in 1884. He went directly from high school into the lace business and after three years founded his own organization. He continued in this enterprise until 1922 when he joined the Equitable as an agent.

* * *

RIEHLE AGENCY MAKES RECORD

The Riehle agency of the Equitable of New York in New York City in June had the best month in paid business since January, 1933. A record was hung up for largest number of lives paid for in one month. Practically all business was life insurance. During the major part of the month, T. M. Riehle was in Europe. His father, J. M. Riehle, took charge. A special effort was conducted by the board of managers of the Equitable in New York, in honor of Vice-president W. W. Klingman, culminating in a luncheon on Mr. Klingman's birthday, July 2, for which 29 associates of the Riehle agency qualified on a written and paid-for basis.

* * *

DE LONG AGENCY'S RESULTS

The C. E. DeLong agency of the Mutual Benefit Life in New York City in June paid for \$1,223,000 as against \$734,500 a year ago, and for \$7,705,000 for the first six months compared to \$11,830,000 the first half of last year.

Seek to Declare Mays Bankrupt

An involuntary petition in bankruptcy against Ed Mays, president of the Continental Life of St. Louis was filed in the United States district court in St. Louis by R. E. O'Malley, superintendent of insurance, now in charge of the company under a court order; the Rahmberg Motor Company and O. H. Moberly, state finance commissioner and R. D. Griffin, deputy finance commissioner, representing the Wellston Trust Company, Wellston, Mo., which is being liquidated. Superintendent O'Malley presented a claim for \$19,000 due the Continental Life for rent on Mr. Mays' penthouse apartment on the top floors of the Continental Life building. The Rahmberg Motor claim is for \$3,000 it claimed to have loaned last October, while the claim on behalf of the Wellston Trust Company is on notes for \$48,000 given to the bank by Mays.

The petition charges that Mr. Mays is insolvent and committed an act of bankruptcy on June 11, last, by transferring to Buchanan Mays of Marshall, Ark., his brother a lease on 4,000 acres of land in San Jacinto county, Texas, with intent to defraud his creditors.

Sleeper With Lincoln National

H. F. Sleeper has been appointed as general agent for the Lincoln National Life in San Francisco. The agency will have offices in connection with the branch office in the Pacific National Bank building. Mr. Sleeper started as a young man in the office of the Reliance Life in San Francisco, and later was promoted to agency organizer. From that position he was advanced to supervisor and then won the post of supervisor for California and Nevada. Since 1931 he has been a general agent in San Francisco for the California-Western States Life.

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Six Modern Legal Reserve Contracts

- Ordinary Life
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- Twenty Year Endowment
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C. L. U. Quiz Questions Are Presented

The remainder of Part III, and Part IV (on general education) of the C. L. U. examination questions are presented below.

(b) Government

1. (a) Marvin bought a \$50,000 annual premium 20 year endowment insurance policy in 1914 which will mature this year. He asks you whether it will be necessary, under the federal income tax law, for him to include the proceeds of this policy, or any part thereof, as income in computing his 1934 income tax. Explain to him exactly what he must do.

(b) Marvin also has a \$150,000 paid up life insurance policy with a cash surrender value of \$90,000. It is now payable to his estate, and is his only other insurance. He consults you (1) as to the manner in which this insurance as it now stands will be taxed under the present federal estate tax, (2) whether there would be any federal estate tax advantage in naming his wife as beneficiary, but retaining the right to make a change, and (3) if there is any way in which he can avoid all federal estate taxation on it.

(c) Marvin further raises a question as to whether the federal gift tax would be applicable if the proceeds of this insurance were made payable to his wife rather than to his estate. If so, he wants to know whether the face of the policy would be regarded as the measure of the gift and if he would be entitled to any exemptions.

Answer carefully each of the questions which Marvin raises, disregarding the 1934 Federal Revenue Act approved May 10 if you are not familiar with it.

2. (a) The proposed 21st Amendment provides that the number of presidential electors secured by each party in a state shall be proportioned to the party's vot-

ing strength in the election. How would this change the present system?

(b) How can the federal constitution be amended?

(c) From which expressed powers can Congress derive authority to pass each of the following laws: food and drug act, coinage devaluation, issue of paper money, securities law, air mail subsidy, naval academy, railway act.

3. Among important provisions of the National Industrial Recovery Act, June 16, 1933, are:

(a) Each industry (such as steel making, auto, cotton textile, etc.) shall draft a code of rules which when approved by the President shall be binding federal law for the industry. Even an opposing minority in the business is also bound.

(b) If any industrial concern acts contrary to the policy of NIRA, the President may issue licenses to engage in such industry and may revoke the license for continued acts contrary to the policy of the law.

(c) In some lines of manufacturing and distribution, code authorities may restrict production and regulate prices, with the backing of the government.

State clearly how these provisions depart from our previous understanding of the powers of the federal government.

* * *

4. As measures of business recovery, the following are proposed:

(a) A federal law fixing the hours of employment in all businesses, except farming and railroading, at not more than 30 per week.

(b) A federal law fixing wages in all employments at not less than \$15 weekly.

(c) A federal law taking over the ownership and operation of the cleaning

and dyeing industry, with suitable payment to the owners and operators.

(d) A state act forbidding the sale within the state of any farm products at prices lower than the farmers of the state itself could market their own products at a profit.

(e) A state act prohibiting life insurance companies from spending more than 5 percent of their assets for a home office building.

State which of these laws is invalid and exactly why.

5. Correct the following statements:

(a) Congress has the broad power to provide for the general welfare.

(b) The city manager plan is a denial of the principles of democracy.

(c) So also is the short ballot plan.

(d) Our national government was intended to be a representative democracy but is now an aristocracy.

(e) Three provisions of the constitution protect the independence of the federal judiciary:

(1) Its members are elected for good behavior.

(2) Their salaries may not be reduced during their terms of office.

(3) They may not be dismissed from office except by the President upon clear proof of misconduct.

(c) Sociology

1. (a) Describe briefly the particular social problems to which lack of adequate income gives rise.

(b) Outline the more likely means by which the economic well-being of wage earners is being, or may be, improved.

2. It has been suggested that because of the limited incomes under which many families must operate at the present time, the life insurance needs of family heads should be met by term insurance policies. If the suggestion re-

ceives widespread acceptance and if there is a tendency to replace existing insurance with term insurance policies, what will be the social effects of the change? Explain specifically.

3. (a) A study of the mortality experience of life insurance companies writing over 85 percent of all ordinary insurance and over 50 percent of all industrial insurance shows that over the past ten years there has been an upward trend in the death rate among ordinary policyholders and a downward trend in that among industrial policyholders, although the latter is still substantially in excess of the former. How do you account for these differences in trend, and for the higher rate among industrial policyholders?

(b) By what practical methods can life insurance companies bring about a reduction in the mortality rate among their ordinary policyholders? Explain.

4. (a) A life insurance company official expressed concern about the influence of continued depression upon the mental health of people, and the effect which a change in mental health might have upon future mortality rates. Explain the relationships existing among these three conditions.

(b) Of what importance is life insurance in relation to educational progress in the United States? Explain.

Part IV

COMMERCIAL AND INSURANCE LAW

Note: The problems in this examination are based upon actual court cases and are designed to test a candidate's knowledge of essential principles of commercial and insurance law. Emphasis in grading will be placed upon the reasoning.

1. (a) "An agent acting within the

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By Company recently licensed in that State. None but experienced and successful agents need apply.

An aggressive legal Reserve Old Line Company located in the mid-west. Company managed by experienced insurance men familiar with the agent's problems and know how to co-operate.

Give all necessary information and qualifications in first letter. Replies will be held strictly confidential.

Address Y-72 care of National Underwriter.

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Fine Field Record for First Half of 1934!



Guardian business during the first half of 1934 exceeded that during the same period of 1933 by 46% in volume.

Business in June, 1934 exceeded that for June, 1933 by 72% in volume, and was the biggest monthly total since December, 1931.

The June, 1934 increase represented The Guardian Life field's *eighth consecutive monthly gain* . . . the 11th increase in the 12 months of the Club Year, which ended June 30th, 1934!



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scope of his authority binds his principal." What is meant by this statement?

(b) What is the scope of authority of an agent licensed by the state and under contract with a life insurance company to solicit applications for life insurance? Answer fully and with particular reference to his authority to change the provisions of the contract; to collect

money as premiums; to effect reinstatement in event of lapse.

2. A life insurance policy contained an incontestable clause making it "incontestable after two years from its date, except for non-payment of premiums and except for violation of the conditions of the policy relating to naval and military service in time of war." Although the contestable period had ex-

pired, in this suit brought by assignee of the policy after insured's death, insurer in defense pleaded that the policy in question had not been procured by insured and assigned in good faith to assignee, but that assignee, knowing that insured was suffering from tuberculosis and was uninsurable, had entered into an agreement with insured to defraud insurer by procuring policy and assigning it to assignee, who was to pay all premiums and expenses, and to have sole interest in any sums paid thereunder. Insurer further pleaded that assignee had no insurable interest in insured's life, and hence the policy was void as a gambling or wagering contract. Decide, giving reasons.

3. (a) If a contract of life insurance is entered into in consequence of a rebating transaction, is the contract a valid, enforceable legal contract? Discuss fully.

(b) Explain carefully the distinction between warranties and representations.

* * *

4. Insured's two life policies, aggregating \$15,000, were issued March 5, 1928, and insured paid premiums thereon until Dec. 5, 1929. The quarterly premium due at that time was paid out of the proceeds of a loan from the bank (the defendant herein) amounting to \$265.20 for which sum insured executed a note. Subsequent premiums were paid by the bank, and insured died June 26, 1930. The policies provided that insured could change the beneficiary or could assign the policies without beneficiary's consent, and that "the insured may, without the consent of the beneficiary, receive every benefit, exercise every right and enjoy every privilege conferred on the insured by the policy." Contemporaneously with execution of the note referred to, insured and his wife, beneficiary named in the policies, executed an assignment to the bank of each of the policies according to the provisions thereof. Each assignment provided that: "The interest of the assignee in the policy hereby assigned is limited to said assignee's valid, pecuniary claim against the assignor existing at the time of any settlement of the policy, the remaining proceeds of said policy, if any, being unaffected by this assignment." At the time of insured's death he was indebted to the bank in a sum in excess of \$68,000. In this suit by beneficiary against the bank, she contended that the assignment was merely to secure the note of \$265.20. From a judgment for the bank, beneficiary appealed. Decide and discuss.

(Succeeding questions in the quiz will be given in the issue next week.)

Examination Report of the Bankers of Iowa Issued

The report of examination of the Bankers Life of Iowa by the insurance departments of Iowa, Kansas, Missouri, Nebraska and Wyoming shows admitted assets as of Dec. 31, 1933, to be \$175,169,871, the principal items being real estate \$14,121,988, bonds \$37,981,697, mortgages \$71,359,479, policy loans \$39,605,444 and cash \$3,339,925. Net surplus amounted to \$7,731,246 and insurance in force \$770,031,084. Income during 1933 amounted to \$36,522,264 and disbursements \$31,690,770.

The examiners call attention to the fact that the cash position of the company has been increased from \$1,753,898 at the end of 1932 to \$8,600,925 at the end of 1933. Included in the cash items are \$5,261,000 of United States government bonds.

Appraisals showed that all mortgage loans of the Bankers Life were made in accordance with the Iowa laws and although the market value of the properties today is considerably less than it was when the loans were made, the examiners express the belief that the loans are conservative and that no material loss will be suffered in working out of this item. Approved claims are promptly paid.

Management Association's Program Is Now Announced

(CONTINUED FROM PAGE 1)

report. H. N. Hamilton, assistant superintendent of agencies Union Central Life, will give an address on "Branch Office Budgetary Control and Cost Analysis." In the evening there will be an exhibit of office equipment of various kinds.

On the third morning Mr. Skilton will preside, the session to be held in the Connecticut General building. H. A. Hopf of New York will give a talk on "Measuring Management." S. A. Smith, secretary Penn Mutual and chairman of the committee, will report on "A Cross Study of Policy Loans." J. M. Avery, attorney National Life of Vermont, will speak on "The Legal Background of Life Insurance Transactions." Insurance Commissioner Dunham of Connecticut will give an address on "Importance of Conservation."

At this meeting action will be taken on creating a permanent head office in New York City in charge of F. L. Rowland, who resigned as secretary of the Lincoln National Life to become executive secretary of the Management Association.

The directors of the Management Association are A. A. Rydgren, Continental American; B. J. Perry, Massachusetts Mutual; L. C. Ashton, Provident Mutual; N. P. Wood, State Mutual; J. F. Ruehlmann, Western & Southern; J. R. Sykes, Fidelity Mutual; Charles Hommeyer, Union Central; H. W. Foskett, Equitable Life of Iowa, and R. A. Taylor, Sun Life of Canada.

Companies Take Precautions to Avoid Loss on Annuities

(CONTINUED FROM PAGE 1)

was when the debt was down to its low point of about \$16,000,000,000.

Others Make Modifications

Modifications also have been made by the Provident Mutual and Aetna Life, the latter's action being confined to the single-premium life insurance and annuity combination sold in \$1,060 units, the new limit being 25 of such units.

The Provident Mutual has limited single premium immediate annuities to an income of \$500 a month or its equivalent, while single premium retirement life income policies are limited to a \$10,000 premium.

The single-premium life insurance and annuity combination is limited to a \$10,800 premium. Limits are halved on single-premium life and endowment policies, bringing the maximum single premium ordinary life policy limit down to \$50,000.

Aetna Agency's Drive Results

The Chicago general agency of the Aetna Life will hold its annual golf tournament at St. Charles Country Club in August. General Agent R. S. Edwards was host at a golf party at that club last week to his ten leading producers in May. The agency in the "Early Bird" drive which the Aetna conducted throughout the country on the first day of the new regional club year, wrote 193 applications in a day, of which 73 were life, 117 accident and three group. Total life insurance was \$300,000. E. H. Snow was leader with 20 applications, of which 11 were for life insurance.

Minnesota Agents Gather

MANKATO MINN., July 12.—Representatives of the Farmers & Bankers Life of Wichita conducted their annual state meeting here with guests including Frank B. Jacobshagen of Wichita, secretary, and H. W. Milner of Lincoln, Neb., supervisor. Arrangements were in charge of G. R. Lyman, general agent at Mankato.

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